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15 November 1984

WEST EUROPE REPORT

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SDP SPOKESMAN DEFENDS CONGRESS STATEMENT ON NUCLEAR ARMS

Copenhagen BERLINGSKE TIDENDE in Danish 7 Oct 84 p 18

[Article by Jens Maigård, candidate for parliament (Social Democratic Party)]

[Text] As is well-known, the Social Democratic party congress adopted a resolution to the effect that Denmark ought to be "free of nuclear weapons in times of peace, crisis, and war." The congress, at the same time, confirmed Denmark's membership in NATO (which is reflected, among other things, in Denmark's participation in the integrated defense system and the policy of reinforcements), and the congress also approved the defense agreement which had been concluded.

It would befit the public debate if all of these decisions were viewed in their proper context. Of course, the nuclear arms policy may and has to be discussed independently. However, as said earlier, it would be appropriate for this debate to be conducted in recognition of the larger context of which it forms part.

As far as the nuclear arms policy is concerned, the Social Democratic resolution comprised three key concepts:

1. First, the words "times of peace, crisis, and war."

Times of Peace. It has been generally agreed that Denmark would have to be free of nuclear arms in times of peace. There is nothing new in this.

Times of War. In my opinion, it is absurd laying down a policy for a situation of war in which nuclear arms are used. If the military deterrent does not work, the task has been a failure, and the weapons have lost their significance. If nuclear arms are employed, the situation is out of control. The end of it all will probably be that the survivors will envy the dead.

Crisis. It is the crisis situation we have to focus our attention upon in discussions of the Social Democratic party decision. Thus the situation in which it may become necessary to emphasize, by military means as well, that one is serious. That is why the Social Democratic decision concerns the crisis situation and crisis control.

2. The next key concept, therefore, will be the reinforcement policy. Under the crisis control agreement, the United States, the Federal Republic of Germany, and Great Britain, will be reinforcing Denmark. (Incidentally, it is

so that the easier it is to receive these reinforcements, the better the preparations are, the longer it will be possible, in a crisis, to postpone the difficult decision of asking for reinforcements.) The question now is whether the reinforcement policy may be combined with a policy which rejects nuclear weapons?

3. This leads to the third key concept of the debate. Nuclear arms are many things. The arms topical in the debate are the tactical nuclear arms, thus the nuclear arms which are intended for use in the battlefield, and which must be deployed first. The interest of the public in nuclear arms has been re-kindled in connection with the deployment of the 572 U.S. intermediate-range missiles in Europe. This creates confusion, for it is not these weapons which are of importance in the debate. As mentioned earlier, the debate concerns tactical weapons.

The question then is whether, in a situation of crisis, Denmark will be able to adhere to its reinforcement policy without the reinforcement troops bringing along nuclear weapons? The nuclear arms strategy of NATO should be studied more closely.

The nuclear arms strategy of NATO is based upon the assumption that the counterpart is kept in the dark as to when nuclear arms will be introduced in the fighting. That means that NATO has reserved for itself the right:

- a. to use nuclear weapons first;
- b. to use nuclear weapons at a very early stage in the fighting.

That is what, in technical language, is called "a low nuclear threshold."

The interesting thing now is that an increasing number of people are now warning against a strategy based on a low nuclear threshold. NATO itself has started raising the nuclear threshold. Thousands of tactical nuclear weapons which have been deployed close to the Iron Curtain are now being removed. NATO has wisely realized that one should not allow oneself to be forced into making such a politically strong move as the use of nuclear weapons in the early hours of a conflict. Nor does NATO want, in such a situation, to present its tactical weapons to the Russians. "Use them or lose them," it is said about these tactical weapons in advanced positions. That is why they are being removed. A small, nuclear-free zone is tacitly being carried through on a unilateral basis.

The proposal of the Social Democratic Party to make Denmark free of nuclear arms also in times of crisis should be viewed in conjunction with the efforts that are already now being made to raise the nuclear threshold. This may very well be combined with the reinforcement policy. A number of technical questions, of course, arise when one starts exploring the issue. However, in general, it may be said that the reinforcements which might conceivably be provided with nuclear weapons (this applies, first and foremost, to American forces) may instead be equipped with advanced, high-technology weapons. Militarily, they compare favorably with tactical nuclear weapons, without their application having the political implications of the use of all forms of nuclear arms.

Let us use the aircraft reinforcements as an example. We have to be reinforced by the addition of 120 fighters, which is approximately the same number of aircraft that we already have. These aircraft may very well be equipped with advanced, high-technology weapons. (The public has got an idea of what such weapons are capable of accomplishing from the Exorcet missile during the Falklands war.)

The important thing within NATO, therefore, is to work toward a nuclear strategy which raises the nuclear threshold, and which makes Denmark free of nuclear arms in the process. The nonsocialist parties in Denmark ought to adopt this objective.

Undeniably, however, politics have entered into the picture, first and foremost in connection with the decision-making process in this country. The government has set up the so-called Dyvig panel, which, at the end of the year, will present its report which will form the basis for the debate on Denmark's security policy. It is said that an actual Social Democratic initiative (which a debate in the Folketing is not) ought to await the report of the panel.

Of course, it is always a good thing to look at things in their proper context. However, it is no insurmountable problem to work for a higher nuclear threshold. No advance profound studies are required. If, nevertheless, there may be reason to await the outcome of the work of the Dyvig panel, this is due to the incredible craftiness of nonsocialist Denmark in security policy matters.

In security policy matters, the world has not been at a standstill of recent years. The arms race has accelerated. Military technology is developing at a rapid rate, and the public debate is turbulent. The reaction of nonsocialist Denmark to this situation has been one of reflex action and thinking in grooves. Nonsocialist Denmark has retired into its shell, saying what it always has been saying. Consequently, there is reason to consider whether the outcome of the work of the Dyvig panel and the deliberations which are scheduled to take place after the presentation of the report of the panel, might contribute to causing nonsocialist Denmark to emerge from its shell and the darkened minds to become enlightened. As is well-known, hope putteth not to shame.

Far more important than the internal decision-making process in this country are our relations with our allies. It is a question of NATO's nuclear strategy and the reinforcement policy. We cannot, in decency, attempt to change these things without having first attempted to convince our allies of the correctness of our position and without having tried to make them endorse new ideas. That ought not to be impossible. At least, it is worth trying.

a. Our allies, of course, know all of the risks we have brought upon ourselves with the present nuclear strategy.

b. Most of them, and this applies not least to the reinforcement states, have strong peace movements and need to show them results.

c. Just as Denmark needs reinforcements, the reinforcement powers need us. The reinforcement agreements are in our common interest. Otherwise, they would not have been concluded. That is why they will listen to us.

d. In the Danish debate, the question of a nuclear-free Denmark is an enormous problem. It has acquired symbolic value. Strictly speaking, however, it is a question of replacing one type of weapon for another. The Social Democratic party decision is not nearly as far-reaching as it is made out to be. However, in this country we have a tendency to overestimate the significance of what we do ourselves.

It is possible that we shall not be able to convince our allies of the correctness of our viewpoints. Now and then I think of a statement, though of older date, by Denis Healey: "Discussing relaxation in NATO is like having a boat race in syrup." If talks in NATO end like boat races in syrup, we shall, of course, have to take the consequences and carry through a new nuclear arms policy alone. However, that would be a shame, not least to the allies.

For the Social Democratic congress decision is firm. It, therefore, will become Denmark's official policy within the foreseeable future, which is a good thing. It should be noted, however, that the party congress laid down an objective but did not say anything about the rate and the method needed to implement the objective agreed upon.

7262

CSO: 3613/16

SCANDILUX SOCIAL DEMOCRATS INFLUENCE DANISH SECURITY POLICY

Copenhagen BERLINGSKE TIDENDE in Danish 16 Oct 84 p 13

[Article by Nikolaj Petersen, assistant professor at Aarhus University's Political Science Institute]

[Text] An informal cooperation among Social Democratic parties in the small countries, known as Scandilux, plays a decisive role in the evaluation of Social Democratic security policy initiatives. Lasse Budtz and Kjeld Olesen get a lot of inspiration for their proposals from this cooperation.

There have been many attempts to explain the altered Social Democratic policy on nuclear weapons, as manifested in recent years. Supporters of the new line like to point to the importance of party democracy, party sympathy with the peace movement and the continuous debate on these matters in the top party leadership. Opponents, on the other hand, often point to the temptations of the parliamentary situation and the constant pressure exerted on the party by left-wing parties.

None of these explanations can be rejected, but at least one more factor must be included in the picture, namely the international dimension. In the last decade in particular there has been increasing international cooperation among political parties in western Europe, not just on EC policy but more and more on security policy as well. The tendency is especially pronounced in the Social Democratic movement, where one of the most interesting innovations is the so-called Scandilux cooperation among a number of western European parties. The cooperation includes primarily the Social Democratic parties in the small NATO countries in the Benelux group and Scandinavia--hence the name--but also involves the larger parties, SPD, Labour and the French socialist party PS on an observer basis. This should not be taken too literally. Labour and PS do not play a large role in this context, but that is not true of SPD, whose representative Egon Bahr, architect of the eastern policy and a long-time close colleague of Willy Brandt, is the central figure in the group, which can therefore best be understood as a mutual security policy forum for SPD and a number of smaller parties.

Scandilux was set up in the winter of 1980-81 on a joint Dutch-Belgian initiative and originated primarily in the problems surrounding INF, e.g. the question of NATO's 572 new medium-range missiles in Europe. The small nations were unable to coordinate their policy on NATO's dual decision in December 1979 and they wanted to avoid a repetition of this during the NATO discussions of the issue. Part of the background was also some dissatisfaction with the work of Socialist International on arms control issues plus a desire to take a firm stand with regard to the newly-elected Reagan administration and the intensification of American policy that could already be detected.

In order to avoid the rigidity and sluggishness that characterizes work in the Socialist International, Scandilux chose an extremely informal and unstructured working method. The group meets without a fixed agenda, no minutes are taken and normally no statement is issued after the meetings; at most there is a press conference at which the host party sums up the discussions. The meetings of the group are brief but precisely because of the informality they are said to be effectively concerned with substantial political discussions and the exchange of information. Effectiveness is increased by the fact that the circle of participants is stable and small and consists of centrally-placed politicians, e.g. party leaders, former ministers, parliamentary spokesmen and the like; in addition the international secretaries of the parties take part in the meetings. Among the most well-known participants, in addition to Egon Bahr, are the chairman of the Flemish Party, Karel van Miert, Labour Party leader Neil Kinnock, Klaas de Vries of the Dutch Labor Party and the leaders of the Norwegian Labor Party, Gro Harlem Brundtland and Einar Forde; the permanent Danish participants are Lasse Budtz, Kjeld Olesen and the new party secretary, Steen Christensen. Among these people, Bahr is the central figure, as we said, both because of the importance of SDP in an international party context and because of his reputation as the group's best-informed and most sharply analytical politician.

But it is probably a mistake to view Scandilux as just being "Bahr's club," even though Bahr's analyses and viewpoints have made a strong impact on Scandilux, since influence has also been exerted in the other direction. The influence of Scandilux meetings on member parties depends on the three main points of the cooperation: the exchange of information, discussion of relevant security policy issues and--to a lesser extent--the formulation of joint policies. The information aspect has been important for the small parties from the beginning, but has assumed increased importance as one after the other lost government power in their respective countries and thus lost access to the information network of the government apparatus.

However the central element in Scandilux is the political discussion, which concentrated in the early years and up to the end of 1983 on INF problems. The informal working form undoubtedly promoted the exchange and development of political viewpoints in the group, but in situations where there are no "big" topics like INF to hold the discussion together, this can also lead to a lack of long-range perspective in the talks. Therefore some of the participants, namely the Flemish and Dutch parties, have wanted to steer the group

in the direction of more formal discussions of prepared papers that could lead to approval of real "Scandilux documents."

But this tendency has been resisted by other parties, especially the Danish party, who want to preserve Scandilux as an informal and also nonbinding forum that does not go in for the formulation of specific policies. However this did happen in practice in the INF talks where after several years of intense discussions the parties arrived at a high degree of unanimity. Aside from that the importance of Scandilux has lain especially in the development of what is often called a mutual perspective on fundamental security policy issues. It is undoubtedly in this area that Scandilux will have most importance in the future as well. As a side effect of the Scandilux discussions we can actually begin to trace the contours of a North European Social Democratic security policy that breaks with the major trends in NATO to date on vital points and therefore also threatens the agreement that has characterized security policy in the past in most of the West European countries.

The basic idea at the heart of the new perspective is the idea of "mutual security," which was launched in 1982 by the so-called Palme Commission and has since entered the security policy vocabulary of the Scandilux parties without much attention being called to the fact. To put it briefly the idea is that the problem of security policy in a situation with a nuclear arms balance can only be solved in cooperation with the other side and not through an arms race and confrontation; the choice lies between mutual security and none at all.

Another element in the perspective is the desire to make the defense of West Europe more European. Skepticism about the policies of the Reagan administration is almost a fundamental trait of the Scandilux group; for that reason the participating parties are highly motivated to increase European influence on the policies and strategy of the alliance. But there is still much uncertainty and lack of clarity about how this can be done and how independent a role West Europe should play.

Finally there is a whole catalog of ideas on concrete changes in current NATO strategy with emphasis on a reduction of the role of nuclear weapons and the development of a more defensive military structure. Some elements in this catalog are the removal of short- and medium-range missiles from West Europe, a ban on using the first strike doctrine for NATO's remaining nuclear arms, the establishment of nuclear-free zones in central Europe and on the flanks, opposition to the new "deep strike" strategies against an assailant's rear lines and a changeover from offensive weapons such as tanks to more defensive weapons such as advanced antitank weapons. Again we are talking about a number of ideas that have not yet been analytically developed and integrated with each other but that contain the possibility for formulating an alternative security policy to the one that has been pursued.

In a recent report from the Dutch Labor Party it was specifically stated that the Scandilux discussions have contributed to a change in the attitudes of the Danish and Norwegian parties on the INF issue. That is certainly obvious as far as the Danish Social Democrats are concerned. With their very weak organizational resources and with limited membership activity the Social Democrats

have benefited greatly in the area of foreign and security policy from access to relevant information and new ideas within Scandilux; this has in a manner of speaking made it possible for the party to take a short cut to a new objectively-based policy in the INF area. (The fact that the concrete formation of this policy has been characterized by improvisation and parliamentary tactics is a different story.) Scandilux has also had a certain legitimizing role in connection with the changed policy; Lasse Budtz in particular has used developments in the other Scandilux parties time after time as a justification for the party's change of course on security policy.

Due to the informal nature of Scandilux it is not easy to follow the development of the group's discussions and compare it to the Social Democrats' policy changes. But for the decisive year of 1983, however, it is possible to show close parallels between the two lines of development. Thus Kjeld Olesen's well-known 10-point "program" from January 1983 contains a verbatim repetition of the four points that had been agreed on at a preceding Scandilux meeting in Bonn--plus elements from a report issued at that time by the Norwegian Labor Party's so-called missile committee. The famous resolution of 26 May consisted largely of points that had been agreed on during a Scandilux meeting in Copenhagen in March and after the Scandilux meeting in Brussels that October several of the points that were summed up in the final document of the meeting could be found in subsequent Folketing resolutions. Thus the Scandilux INF "policy" also became official Danish policy, but in the broader context this was just a single swallow. At the same time as Scandilux demonstrated its ability to reach agreement on the INF question in the fall of 1983, the cooperation also revealed its Achilles' heel--the fact that after 1982 the group consisted exclusively of opposition parties without much influence on foreign policy.

The lack of political power is one of the problems now confronting Scandilux. The opposition role is probably an advantage for the group, since it is easier to agree on a specific Social Democratic security policy when none of the participants is weighed down by the burdens of power. On the other hand there is a danger of "government inefficiency" if the Social Democratic parties in opposition move too far away from the traditional consensus on the national and international level. Both in Norway and in West Germany there are signs that consideration of the road back to power is beginning to lead the parties toward a more middle-of-the-road course.

Another problem for Scandilux is where the group should head now that the INF question can no longer be the unifying theme. Unless a new single problem of the same size turns up (and certainly no one wants that), there is a risk that the group will degenerate into a noncommittal social club for the international security policy jet set. Another possibility is that it could gradually develop into an advanced European study group on security policy matters. Neither of these developments would be satisfactory for the busy and pragmatically-oriented politicians who meet in Scandilux. They will always feel the need first and foremost to discuss topical problems of both short-term and long-term perspectives. But at the same time they will continue to need an extensive in-depth discussion of the many unclear elements in the new

security policy "perspective." The complex problem of Europeanization in particular needs a thorough clarification.

The Scandilux cooperation has played an important although partially hidden role in Danish security policy since 1981. For the Social Democrats it has been a source of both inspiration and arguments during the party's reorganization process on security policy; for the nonsocialist parties it has been an unwelcome reminder that security policy today is no longer a national affair but has become international. The government parties would undoubtedly have preferred not to have opened up for the undercurrents in Danish politics that the international ties represent so that the parties could go on reaching agreement with each other on the national level. And of course there is still a great need for this; one can only hope that the report of the so-called Dyvig committee can provide a framework for such a debate and that it is of higher quality than the clashes between the government and the opposition in the past 2 years.

But the undercurrents cannot be suppressed and this would also be undesirable out of consideration for the security policy debate. On the contrary, it might be that the nonsocialist politicians who are interested in security policy and its current problems will pick up the gauntlet and enter into a similar cooperation with likeminded politicians in other countries along the lines of the Scandilux model.

6578

CSO: 3613/15

PROGRESSIVE PARTY HOLDS CALM CONGRESS AFTER YEAR OF PURGES

Optimistic Tone Sounded

Copenhagen BERLINGSKE TIDENDE in Danish 30 Sep 84 p 15

[Article by Dan Axel and Michael Ehrenreich: "Purges Have Created Peace in Progressive Party"]

[Text] Only limited criticism of true "family-country" meeting which was united in its call for early freedom for Mogens Glistrup.

A large baby-tears plant [a literal translation of the name of the plant in Danish is "household peace"] very symbolically dominated the stage in Falcon Center when about 800 Progressive Party members met in a national congress after a very dramatic year of great purges and a colossal loss of voter support.

It was obvious that the national congress was intended to present the outward picture that there now is peace within the party--the demise of which frequently is predicted in the news media. In the process, the delegates were united in attempting to strike an optimistic and reconciliatory tone--something at which they did not completely succeed.

No thanks were due in this regard to Holger Berlid of Jyllinge. "What initiatives has the party actually taken recently. And in what kind of manner does our parliamentary delegation represent our party. One of them now has gadded about the country--and made a joke out of the party for the sake of filthy lucre. Will the party applaud this?"--asked Berlid, who was met with loud booing.

Bojle Nielsen from Vanlose also was dissatisfied that nothing more was happening within the Progressive Party. "It is incorrect when we say that the voters have let the party down. It is we who have let the voters down. Our members of Parliament all too often sit in childish pique and vote against proposals because they pay more attention to who has proposed them rather than what they contain. The Progressive Party has become a 'cotton pixie' party," Bojle Nielsen stated.

Delousing

Marius Nielsen, the Progressive Party chairman--and the fourth chairman within a year--personally struck the optimistic tone when, in his report, he appealed for peace and calm among the members. He also did not hide the fact that the purges within the party had been for the good.

"We can now smile at each other a little when we have a board of directors meeting," he said.

When Helge Dohrmann, the chairman of the parliamentary delegation, somewhat jokingly described the decline in the Progressive Party as "a little reduction," sharper comments were heard from among the rank and file of the delegates to the congress.

Veterinarian A. TH. Riemann called it a "cleansing process for which we have waited for five years." Ragnhild Petersen said right out, "Congratulations on the cleansing; now we can have peace in the house." Erik Munk called it "a delousing and a riddance of the fifth-column people in the party."

Finally, Poul Larsen asserted that the Progressive Party is a "green party." "That is true since we have improved the environment in our own party. There are, however, some germs left yet," he said without the slightest concealment of a reference to the criticism which arose during the national meeting.

In contrast to nearly all of the other parties' national congresses, the Progressive Party's meeting is a "family gathering." A glance at the delegate list shows that husband and wife often accompany each other to the national meeting--unlike the other parties where often it is the husband who is the delegate while the wife sits in the observer and guest section.

The greatest applause from the congress was heard every time a speaker demanded that Mogens Glistrup be freed. And the applause was overwhelming when Torben Zinglensen, a member of the Radio Council, displayed an enlarged postcard on the stage bearing the text: "Free Political Prisoner Glistrup."

The address on the card was that of Prime Minister Poul Schluter. The intent was that during the course of Saturday and Sunday, the delegates would write their names on the card which then was to be sent to the prime minister.

Mogens Glistrup will not address the congress until today, but there is no doubt from the applause that he still holds the party in the palm of his hand.

Schluter, Jorgensen Attacked Together

Copenhagen BERLINGSKE TIDENDE in Danish 30 Sep 84 p 15

[Article by Dan Axel and Michael Ehrenreich: "Schluter Moves in Politics Like Anker Jorgensen"]

[Text] The prediction at the Progressive Party congress in Copenhagen was that the government's policies will make the party large and strong once again.

The Progressive Party will increase its criticism of the conservative government in the next parliamentary session, according to the political report given by group chairman Helge Dohrmann at the national congress in Falcon Center.

"The government is pursuing the policies of the Social Democrats except for a few subtle differences, and the government's policies today constitute the greatest risk that voters will throw in the sponge and vote for the Social Democrats again," said Helge Dohrmann.

He blamed the government for "sabotaging the practical objective of compromise negotiations with intolerable suggestions that an economic intervention is necessary."

"Under the circumstances, the participants have no idea what they in fact are negotiating. Only the Radical Liberal Party has been forthright. Thus, the Radical Liberals are about to become more stable than the Conservative Party, with the result that we are about to be on thin ice," Helge Dohrmann said.

He acknowledged that since the election in January, the Progressive Party has travelled on a parliamentary side track because "the government is clinging to the Radical Liberals."

"The government is only using the Radical Liberals as an excuse, because there are radical ideas deeply embedded within the ranks of the members of the government. In reality, there has never been an attempt to press the Radical Liberals."

Helge Dohrmann challenged the government to seek political agreements with the Progressive Party, and he said that the Radical Liberals would not dare vote against such agreements in the halls of Parliament.

"I am convinced that the lack of results from the conservative government, a thoroughly rotten tax system and a continued alarming debt situation together will mean that this party again will become large and strong. Of course we have the right to be party egotists, but it is nonetheless sad that the government's bunglings should make the Progressive Party great again."

Helge Dohrmann predicts that the primary topic in the next parliamentary session will be negotiation on tax reform and he heralded an investigation by the Progressive Party of the bureaucracy.

The group leader rejected in sharp terms the criticism against the Progressive Party for being racist on the basis of the party's forthcoming recommendation for offering foreign workers 25,000 kroner for leaving the country.

"Foreign workers have been paid for having performed their work. It has never been the intent that they should be allowed to remain here for the rest of their lives. Because of unemployment, the majority of foreign workers today are ending up on welfare and nothing good ever comes out of that," Helge Dohrmann said.

Glistrup Given Prison Leave

Copenhagen BERLINGSKE TIDENDE in Danish 1 Oct 84 p 6

[Article by Dan Axel and Michael Ehrenreich: "Glistrup: Others Unable to Fix Tax Reform"]

[Text] The Progressive Party will award Poul Schluter the "Nobel Prize in Public Relations Swindles" and the Conservative government the "Lenin Prize in Naivety."

"The old parties--Social Democratic, Liberal, Radical Liberal and Conservative--are incapable of reforming the Danish tax system. On the contrary, their ideas of reform will lead to new tax increases."

This was the statement of Progressive Party campaign leader Mogens Glistrup, who, true to tradition, yesterday closed the party's twelfth national congress in Falcon Center in Copenhagen with a thundering tax speech.

"It makes no difference whether it is the Social Democrats or the Conservatives who are at the helm," Mogens Glistrup said. "Mayor Egon Weidekamp (Social Democrat) overdraws the city's bank account by a half billion kroner while Finance Minister Palle Simonsen (Conservative) gets the country encumbered by 123 billion. That does not mean that he is several hundred times worse but only that the present government is totally incapable of legislating taxes."

Mogens Glistrup was greeted with a long standing ovation from the approximately 800 delegates, when he presented Prime Minister Poul Schluter (Conservative) with the "Nobel Prize in Public Relations Swindles" for having succeeded in winning the January election with a proposed national budget which--in Glistrup's opinion--is the worst ever. The campaign leader repeated his party's bottom line recommendation which would mean that "the income tax can be abolished in 1990 so

that all of the tax forms can be burned on the Midsummer Night bonfire." At the same time, he awarded the "Lenin Prize in Blue-Eyed-Naivety" to the "Baunsgaard, Foighel and Lykketoft triplets" because they "in jelly-fish fashion" have come forward with reform proposal "that are without basis in reality."

During the national congress question period, disagreement arose between Member of Parliament John Arentoft and the four other Progressive Party members of the parliamentary delegation. One disagreement was about to cost the party yet one more defector.

"I will remain in the parliamentary delegation as long as I do not become threatened with having all of my positions of trust taken away from me," said John Arentoft, who openly stated that he "had considered his situation within the party."

The background for this is the matter of firings, where three employees in the Progressive Party secretariat--among others, the newly-elected member of the board of directors, Lise Simonsen--were removed from their positions against Arentoft's will.

The congress' only exclusion matter--that involving Bent Elvis Holm and Marianne Lorenzen from Helsingør--disappeared on its own. On the petition of Glistrup, the congress decided not to discuss the matter.

Further dissension arose over the suggestion by Ragnild Petersen, a previous candidate for the European Parliament, that there had been some fiddling with the total of 700,000 kroner which the Progressive Party had received over the course of the last two years for the European Parliament election campaign. Mogens Glistrup cleared up the accounting ambiguities with the clarification that there were several accounting years involved, "but every krone was used," he concluded. And Ragnild Petersen was satisfied with that.

Not Racist

Finally, the Progressive Party maintained--notwithstanding the protests of certain people--that "the campaign against immigrants in Denmark is not racist, but directed only against those who have no work and therefore survive on Danish welfare assistance."

Dohrmann Voted Party Chairman

Copenhagen BERLINGSKE TIDENDE in Danish 1 Oct 84 p 6

[Article by Dan Axel and Michael Ehrenreich: "New Leadership Problems"]

[Text] The Progressive Party hardly will find fulfillment of its desire for peace among the party's highest organizational leadership, notwithstanding that the national congress, by an overwhelming majority, elected Helge Dohrmann as the party national chairman and thereby put a stop to previous fighting between the parliamentary delegation and the board of directors.

Helge Dohrmann received 498 votes in the national congress election, while former Member of Parliament Leif Glensgaard received 146 votes and the former head of the Christiansborg secretariat, Lise Simonsen, received 90 votes.

The elections to the top organizational leadership positions, however, put together a board of directors which immediately after the elections received this comment from one of the party's five members of Parliament: "Now there will be problems."

Helge Dohrmann was the top scorer with 251 votes, while there were 207 votes for Leif Glensgaard, 147 votes for Kim Behnke, assistant director of FPU [Progressive Party Youth], and 104 votes for Lise Simonsen.

These four constitute the new board of directors, together with Lene and Mogens Glistrup.

The election of Lise Simonsen attracted particular attention at the national congress since a number of delegates had urged caution from the speaker's podium because of the as-yet undetermined financial ties between Lise Simonsen and Dohrmann.

Additionally, the strained relations between Lise Simonsen and the Glistrup family are viewed as causing problems for efforts by the board of directors.

The delegates also pointed out yesterday that Leif Glensgaard, with his return to politics, obviously now will attempt to challenge Helge Dohrmann as the party's Number Two, after Glistrup.

Neither did Helge Dohrmann sound particularly enthusiastic when he, upon being crowned national chairman, commented to the board of directors on the elections, "We must take the elections into consideration and I will attempt to maintain the best cooperation possible within the board of directors."

Despite the expected cooperation problems, the majority predicts that Mogens Glistrup, with the new board of directors, will strengthen his hold on the party since the party founder in all decisive situations can count on all of the votes except from Lise Simonsen. The two former national chairman, Poul Sustmann-Hansen with 95 votes, and Marius Nielsen with 91 votes, also were elected as alternates to the board of directors.

Glistrup Entertains Congress Delegates

Copenhagen BERLINGSKE TIDENDE in Danish 1 Oct 84 p 6

[Article by Dan Axel and Michael Ehrenreich: "Unusual Roles"]

[Excerpt] An attempted arrest, an eyewitness description and voting report from the Progressive Party national congress Saturday evening in Falcon Center

Mogens Glistrup crawling and growling like a lion in a cage, Kresten Poulsgaard as an "electric boogie dancer," and Lene Glistrup in the role of a "lilac diaper" pedagogue from the women's collective protesting against caged hens' social conditions.

Altogether it sounds like a "here and now" revue with encapturing humorous, genial and current elements. But it was not like that.

If one had not previously seen Kresten Poulsgaard as a helpless, tone-deaf singer, with lyrics from "The Little Warblers," then his performance at the Progressive Party's "Zabaret" [Translator's note: the Progressive Party's ballot designation is the letter "Z"], was an uncomfortable and embarrassing experience.

12578

CSO: 3613/12

DEBATE ON SCHLUTER'S SPEECH FROM THRONE ANALYZED

Copenhagen BERLINGSKE TIDENDE in Danish 8 Oct 84 p 10

[Editorial: "Cheer Up"]

[Text] No minority government has existed in Denmark in recent years under such quiet and stable conditions as the present one. This was confirmed by the opening debate of the Folketing, which, though long, was entirely without drama. The foreign policy and the security policy which have caused greater strain on the four-leaf-clover government than anything else were not given any prominence in the debate, and, as far as is understood, this was not due to Anker Jørgensen. The emphasis in the debate was on the country's economic situation and the danger signals associated with the balance of payments developments. However, even in this area, there was no major showdown between the government and the opposition during the debate.

A brief exchange of words between Anker Jørgensen and the prime minister gave the prime minister the opportunity to warn against the pessimism which was reflected in the statement made by the former prime minister. Poul Schluter pointed out that it is important to approach matters with optimism, and that one should not take such a gloomy view of developments as the Social Democrats are inclined to do. Only through optimism can one achieve good results, Schluter said. This exchange of words shows an important difference in style and method between the work of the present government and the contribution that was made by the previous Social Democratic government. Whereas the Social Democrats went from crisis to crisis and became increasingly depressed at the agreements which they barely managed to reach, the four-leaf clover government has, from the start, believed that it would be able to carry through a policy which would lead it toward the goals which it had set for itself. This difference of attitude affects the surroundings. Nobody in the Danish society has had any doubts as to the extent of the economic difficulties and the burdens which have been imposed on everybody, but the present government has succeeded in appearing convincing and in inspiring confidence in its ability to overcome the problems.

The self-assurance of the government provokes Anker Jørgensen. It goes without saying that the Social Democrats have to mark their position as that of the opposition, and they cannot be blamed for pointing to the weaknesses and

the risks associated with the policy of the government. However, they should not, for that reason, act as if they were insulted and cross. The calm atmosphere about the security policy and the concrete proposal to impose a scheme of compulsory savings may have been indications that the Social Democrats are gradually reaching the conclusion that they, too, ought to try to become more cheerful in their daily activities at Christiansborg. It is a disgrace for the largest party to allow itself to sulk.

All work performance improves if it originates in good spirits. This also applies to the work performed within the Folketing.

7262
CSO: 3613/16

HENNING FODE NAMED TO HEAD COUNTERINTELLIGENCE SERVICE

Copenhagen BERLINGSKE TIDENDE in Danish 18 Oct 84 p 6

[Article by Auni]

[Text] Henning Fode, 36, chief of section within the Ministry of Justice, will become chief of the Security Police, the present chief of which will join the private sector.

The Security Police, which safeguards the counterintelligence service, i.e. countermeasures against espionage, sabotage, and undermining activity against the society, will get a new chief on 1 November.

Last Tuesday, the Queen signed the appointment of the 36-year-old chief of section within the Ministry of Justice, Henning Fode, chief of the second office of the Ministry of Justice, as chief of police in the position of chief of Branch G of the National Danish Police Force, which is the official name for the counterintelligence service of the police.

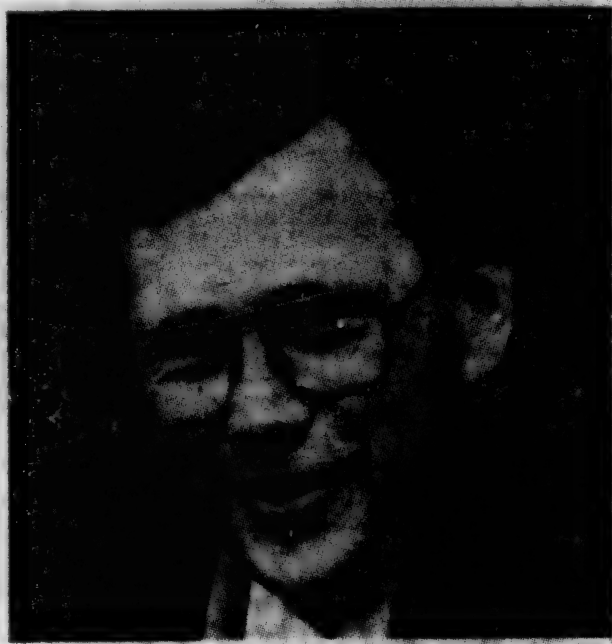
Henning Fode is an attorney and graduated from Århus University in 1974. During the next couple of years he was a lecturer at the university. In 1976, he became a principal within the Ministry of Justice and worked, at the same time, as tutor at the University of Copenhagen. After having assisted the Public Prosecutor for Zealand for some time, he returned to the ministry, first as principal in the third office of the Ministry of Justice, which concerns itself with the police and the prosecution, and, subsequently, as principal in the second office of the Ministry of Justice, under which the aliens legislation, among other things, belongs.

The new Security Police chief is married to Birthe Fode, a secondary school teacher, and the couple has two daughters, aged 10 and 5.

Henning Fode succeeds Ole Stig Andersen, chief of police, in the post of chief of the Security Police. Ole Stig Andersen, who in 1975, at the age of 35, was promoted from the position of principal within the Ministry of Justice, with road traffic legislation as his speciality, to the position of chief of police and chief of the counterintelligence service, will now be joining the private sector. It gave rise to surprise, also outside the counterintelligence service circle, when he recently announced that he would be leaving the civil service on 31 October to take over the post of secretary-general of the Danish Association of Attorneys.

The chief of the Security Police has direct contact to the Ministry of Justice, and it, therefore, is a tradition that he is chosen from among the staff of the Ministry of Justice and not from among that of the police. The tradition has been followed since the death in 1970 of the then chief of the Secret Police, Arne Nielsen, assistant commissioner, who died of cerebral haemorrhage during an official visit to Brussels. During the student revolts in the sixties, Arne Nielsen was known to the public as "Nielsen, the Merchant."

After the death of Arne Nielsen, Jørn Bro, police assessor at the time and now chief of police and head of the Police College, acted for a fairly long period as chief of the counterintelligence service, and it was expected within the service that he would be appointed head of the counterintelligence service. It was, however, the present chief of police of Hillerød, former principal within the Ministry of Justice, Jørgen Skat-Rørdam, at the time 37 years old, who got the position, which, at the same time, was upgraded to the position of chief of police. Skat-Rørdam was chief of police until 1975, when he was succeeded by Ole Stig Andersen.



Henning Fode, new chief of the Security Police.

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CSO: 3613/16

POLL REVEALS GAINS FOR CONSERVATIVE PARTY

Copenhagen BERLINGSKE TIDENDE in Danish 7 Oct 84 p 8

[Article by Solveig Rødsgaard]

[Text] The gains, however, have been fetched from the three other coalition parties, and both the Social Democratic Party and the Socialist People's Party have advanced.

The Conservative Party has made further large gains in its support among the electorate. However, despite the additional four seats in the Folketing for the Conservative Party, the strength of the four-leaf-clover government remains unchanged, since the Conservative Party has fetched its gains from the three other coalition parties. The support for the Conservative Party among the electorate, incidentally, has reached a record-high level for the last 15 months.

This appears from the most recent political poll of the Gallup Institute, which was made during the period in September when the Social Democratic Party had its congress and the Liberal Party and the Radical Liberal Party their national congresses. The unchanged parliamentary position of the government must be viewed in conjunction with the advance of both the Social Democratic Party and the Socialist People's Party.

The voters have given the Social Democratic Party an extra seat compared to the election, but in comparison with the previous Gallup poll, it is a question of a setback, even if the party, at its congress, attempted to find its profile. The Radical Liberal Party has obtained more support among the electorate during the past month, but its support is still lower than it was in the elections to the Folketing. The Liberal Party, which, during the period in which the Gallup poll was taken, got a new national chairman, is not only below the election result but also below the result of the previous Gallup poll. The same thing applies to the Center Democrats and the Christian People's Party. The Progressive Party, on the other hand, has advanced compared with the previous Gallup poll, but the party is still below the election result of last January.

On the basis of the figures of the Gallup poll, BERLINGSKE TIDENDE, Sunday edition, has made a calculation of the distribution of seats in the Folketing. The calculation comprises only the 175 "south Danish" seats:

	Gallup Poll	Now
Social Democratic Party	57	56
Radical Liberal Party	9	10
Conservative Party	46	42
Socialist People's Party	23	21
Center Democrats	6	8
Christian People's Party	4	5
Liberal Party	21	22
Left-Socialist Party	4	5
Progressive Party	5	5
Free Democrats	0	1

(1)

Politisk indeks

*(3) Spørgsmål: Hvilket
parti ville De stemme på,
hvis der var
folketingsvalg i morgen?

	(4)	(5)	(6)	(7)	(8)	(9)
Indsamlingsperiode: (2) 14. sept.-23. sept. 1984	10.jan. 1984	April 1984	Maj 1984	Juni 1984	Aug. 1984	Sept. 1984
	pct.	pct.	pct.	pct.	pct.	pct.
Socialdemokratiet ... (10)	31.6	32.2	32.2	31.1	33.1	32.1
Radikale Venstre ... (11)	5.5	5.8	5.8	5.3	5.1	5.3
Konservative Folkeparti ... (12)	23.4	25.2	24.5	23.5	24.5	25.7
Retsforbundet ... (13)	1.5	-	-	-	-	-
Socialistisk Folkeparti ... (14)	11.5	12.1	12.1	13.9	12.0	12.7
Inter.soc. Arbejderparti ... (15)	0.1	-	-	-	-	-
Kommunistisk Parti ... (16)	0.7	-	-	-	-	-
Marx.Lenin. Parti ... (17)	0.0	-	-	-	-	-
Centrum-Demokraterne ... (18)	4.6	3.8	4.2	4.2	4.1	3.3
Kristeligt Folkeparti ... (19)	2.7	2.2	2.3	2.7	2.6	2.4
Venstre ... (20)	12.1	11.2	12.2	11.7	11.9	11.5
Venstresocialisterne ... (21)	2.7	2.0	2.5	2.6	2.1	2.5
Fremskridtspartiet ... (22)	3.6	2.6	2.2	2.6	2.4	2.6
Andre partier* ... (23)	-	2.0	2.0	2.4	2.2	1.9
Ialt ... (24)	100.0	100.0	100.0	100.0	100.0	100.0

*) Partier med mindre end 2 pct. af stemmerne. (25)
Eftertryk kun med anførelse af Gallup og Berlingske som kilde.
(26)

[KEY ON FOLLOWING PAGE]

Key:

1. Political poll
2. Period during which poll was taken: 14 Sep - 28 Sep 84
3. Question: Which party would you vote for if a parliamentary election were to take place tomorrow?
4. 10 Jan 84
5. Apr 84
6. May 84
7. Jun 84
8. Aug 84
9. Sep 84
10. Social Democratic Party
11. Radical Liberal Party
12. Conservative Party
13. Single-Tax Party
14. Socialist People's Party
15. International Socialist Workers' Party
16. Communist Party
17. Marxist-Leninist Party
18. Center Democrats
19. Christian People's Party
20. Liberal Party
21. Left-Socialist Party
22. Progressive Party
23. Other parties *)
24. Total
25. Parties with less than 2 percent of the vote
26. Reprinting subject to indication of Gallup Institute and BERLINGSKE TIDENDE as source.

7262

CSO: 3613/16

UNIONS NEARING CHOICE: CLASS WAR OR SOCIAL PARTNERSHIP?

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 20 Oct 84 p 15

[Article by Ernst Guenter Vetter: "Proponents of the Class Struggle Want a Different Republic"]

[Text] The long and embittered labor struggles and the altercations in the metal and printing industries of last summer will not disappear in the diffuse fog of forgetting. The primary issue now is not how high to assess the economic damages and to what extent they can be compensated for in the course of time. Now the question intrudes: Has the character of the trade unions, have their disposition and policy changed radically in the course of the past few years? Are they to be assessed differently as a political force than up to now?

Characteristic is the behavior of foreign observers of the Federal Republic. They inquire with astonishment whether the stability of the Federal Republic, praised so much for 40 years, has softened and whether with the social partnership a pillar of support of a seemingly unshakeable building does not threaten to collapse. In so doing, they are raising the question in regard to the political reliability of one of the most important partners in the international economic system.

The astonishment, above all, is so great because up to now everywhere in the country the will to cooperate between the social partners, the recognition of the mutual positions, and a frequently far-reaching understanding for the situation of the other side were regarded as a decisive prerequisite for the economic development, described as miracle, and for the firm democratic establishment of the new West German state. Undoubtedly, the social peace, appearing still more radiant in recollection, in this era, too, was occasionally disturbed through the oratorical attacks of some officials or through labor struggles, whose slogans betrayed a disposition contrary to the partnership. Such phenomena, however, were not dramatized as long as they did not seem to impair the fundamental conduct of the trade unions. Moreover, within the framework of a democratic order, every trade union is to be granted the liberty of designating its own position with clear and frequently harsh and overdrawn words, in the extreme case, even with the aid of a strike.

But the embittered strike of the past summer had a different political quality than the labor struggles previously. An already powerful group, which rejects partnership and wants to revive the class struggle as the basis for the strategy of trade unions, shaped it. Its goal is to change society and the economy with the means of ever sharper confrontation. For recollection: The strike was started although the mass of the employees were hardly interested in the goal of a 35-hour week, and above all was not prepared to strike for it.

Quite openly and without any scruple it was announced that the intention was to turn the political situation on its head, to create a state of affairs whose result would have had to be the resignation of the government. Wage policy, in short, was not longer supposed to create "order" in the sphere of wage policy, but was supposed to be used as a political weapon. Not solidarity, but hostility was the watchword. With such a policy, which bluntly rejects any social partnership, the picture of a trade union must also appear in a completely different light.

This impression of a fundamental change is hardened by the conduct of the radical wing of the Metal Workers Union after the strike. This group repeatedly behaved in such a way so as to subversively violate the introduction of greater flexibility of work hours explicitly set forth in the wage contract and to intend to force through the 38.5-hour-week in the same way for all employees in its sphere of operation. This uniform reduction of work hours, however, is precisely what was not intended by the wage contract. Such perforation attempts indicate a thus far unknown and incomprehensible process in wage policy: With the abolition of contractual fidelity, a party to a wage agreement calls into question its own reliability and thus deprives free, autonomous wage policy of its foundation.

Its fits minutely into the concept of the radical change of a trade union if a member of the board of directors of the same organization--acting for others--openly and uncontradicted, expresses the opinion factory committees must act not only as agitators against entrepreneurs, but in the enterprises as combat forces against the Federal Government. In other words, the trade union is to be expanded in all of its fields of activity into a shock troop for party policy. In so doing, it changes its character in yet quite another respect: Only socialists can still be members; members or sympathizers of other parties must find a new organizational home.

As "Political Force Against the Policy of Change"

Dietrich Wunder, the chairman of the Union for Education and Science, which is not involved in the labor struggles, supports this strategy in a resume of the labor struggles. In an address he called the trade unions a "political force against the policy of change". The trade unions are to be representatives of the employees "in their total life situation". Above all, "the politicization of the labor struggle" is perceived "as a sign for future trade union policy". In the opinion of Wunder, too, the trade unions have given up the role of wage party and thus their position as "factor of order" within democracy. As organizations with the largest accumulation of power,

in other words, they are to determine--if necessary also with the aid of the labor struggle--the policy of the entire Federal Republic.

This enormous claim to power of a single interest group is the point of departure of totalitarian thinking. And nothing is changed here by simple dialectics, with whose aid a primitive camouflage is attempted. It is not the trade unions, so the argument goes, which are usurping the state; rather it is this state which, through the "government of change" ended up in the hands of the entrepreneurs. The latter, it is argued, have given up the social partnership and intend to make the trade unions into a "submissive and therefore unattractive force worth ignoring". Trade unions, according to the argument, should be "petitioners at the court of the powerful of industry and politics" (citations from the address by Dieter Wunder). This is the classical form of Marxist thinking: If the class of entrepreneurs rules through a compliant administration, only the path of class struggle remains open to the class of workers and employees for overthrowing those in power and for putting their own power in their place.

When "Anti-Communist" Is Regarded As Insult

Such thoughts have the effect of political surrealism in an enlightened democracy; for a government which would surrender to entrepreneurs would in our time--fortunately--have to give up in no time. But Marxists have never researched reality. Otherwise they would have to be disturbed alone by the thought of why it is that the majority of the citizens, and thus of the employees, helps a presumed "exploiter government" to power with its vote. But a self-critical examination of their own arguments does not interest these Neo-Marxists. They arrogate to themselves a claim to sole representation without asking for a moment whether they do not act precisely against the political will of the class of the employees. And they forget above all that with the free state, whose formation is decided by the voters, they destroy at the same time the basis for the activity of free unions.

This strategy was carefully prepared--almost imperceptible to outsiders. Many trade union training institutions and staff positions have been occupied by neo-Marxist ideologues. These forces are being supported by quite strong pioneers of the communist system, which in extremely clever manner proceed to undermine the trade unions from within. They make use of the ideological dreams to weaken the libertarian order to such an extent that the West German state--as soon as possible--degenerates to a satellite of "real socialism". How great the successes already are along this way is shown by the fact that, within the trade union association and within the parts of the SPD sympathizing with this trade union wing and encouraging it, the word "anti-communist" is no longer regarded as a distinguishing mark of an unequivocal conviction, but as an insult. The idea of a popular front alliance, which most citizens of the Federal Republic reject, is spreading in parts of the trade unions almost without being noticed, but tenaciously. This development is being facilitated because opportunistic, not communist-tinged trade union officials, believe that they can make use of frames of mind kindled by the Left on their way to personal success. Others do not have the strength to resist such formations effectively.

Thus a diffuse picture of the trade union federation emerges: The radical wing has cashed in on the successes of the market economy order, but was thus far unable to overthrow this order in accordance with the instructions of the ideological prescriptions; for in the presence of the members it is difficult to slaughter a cow which is giving more and more milk. But during a time when the economy is undergoing a powerful structural process of change and attendant high unemployment, a time when the springs of welfare are no longer bubbling as lavishly as up to now, the radicals evidently are hoping for their chance.

The important, widely respected and honored friend of the trade unions, Professor von Nell-Breuning, already at the beginning of the 1950's called the attention of the unions to an unbridgeable antithesis. He reproached them with the fact that they do not know what they want to be, and therefore are even much less capable of knowing what they are supposed to do. With these words he admonished unmistakably that in a libertarian order trade unions as autonomous wage parties must decide: Do they want to be guided by Marxist ideology and thus by the goal of system change, or do they want to recognize the libertarian order and in so doing observe the boundaries which must be established for an organization within the framework of democracy? The radical wing now evidently intends to bring about a decision with the intention of system change. The strike was to set the marks.

The inability to recognize one's own political significance in a free order is the sign of a crisis of thinking. When 100 years ago the workers were still exploited objects, it was easy to recognize the task for the first organizations of employees. They had to attempt to erect a "counterpower". For a long time they were powerless and humiliated. But the development is characterized by constant enormous advances. When at the turn of the century the first wage contract was attained, the trade unions felt recognized as partners with equal rights; for them, the most important goal of that time had been attained. An enlightened socialist like Eduard Bernstein wrote during these years that strikes now probably were finally a thing of the past. The first step in the direction of "partnership" and into the position of a "factor of order" had been taken.

The insight into the necessity and fruitfulness of partnership-like relations was continued in the so-called "Reichsarbeitsgemeinschaft" [Reich study group] after the First World War, in which entrepreneur, government and trade unions worked together. Already at that time the trade unions left this institution after a short time and devoted themselves to the cultivation of a newly furbished class struggle. The splitting into directional trade unions did more than necessary. The one mistake almost necessarily entailed the second. The trade unions, which partly robbed themselves of their political significance, misunderstood national socialism, behind which many of them--faithful to the Marxist law of development--perceived only a quickly-to-be-overcome preliminary stage on the way to socialism. They soon became incapable of action and allowed themselves to be overpowered without resistance.

After the last war the conclusions were drawn from many bad experiences. The magnificent institution of the united trade union was created. In so doing, a political pillar for the stabilization of the libertarian order was to be established. Some organizations in the DGB [German Labor Union Federation] and their leaders at the same time accepted that admonition of Nell-Breuning. To this day, they want to distinguish themselves as determined representatives of the interests of the employees and nevertheless not endanger the free economy and, in so doing, democracy. They understand "opposing power" not as class struggle; they want at the same time to fulfill their task as "factor of order". These trade union leaders succeeded, in spite of frequently embittered confrontations with the entrepreneurs, to maintain mutual respect and trust.

In so doing, they consolidated the foundations on which the two wage parties can solve their very difficult task, viz., again and again to establish wages and social norms, in such a way that the social texture of the democratic order is not shaken through growing social tensions. In so doing, they above all created the prerequisite for the wage parties, in the future, too, to be able to solve the especially difficult task of a new time, which is characterized by unusual technical progress: That is to say, to organize the economy in such a way that the revolutionary advances of technology become at the same time advances for man in his world of work and leisure; that means jointly to find new ways of securing prosperity, minimizing unemployment, and above all giving young people hope and security. This group forms the opposite pole to the radical wing in the trade union federation. The labor struggle and the polemic accompanying it have also brought to light this deep and up to now largely concealed opposition within the trade union federation.

Now a democratic society in the second half of the 20th century, too, is characterized by shortcomings and injustices. It is only the work of men. But it is an order of free men and, therefore, it is capable of being improved. According to the words of the philosopher Popper, we must plan not only for security, but at the same time always for liberty. Only in this way can we remain at the summit of political development, which was attained in the Federal Republic in the course of the postwar period. The order of this state has thus far fulfilled the maxim of caring equally for liberty and security. The task today, therefore, is to solve the extraordinary economic difficulties, at the same time to maintain social security in the core, and in so doing to preserve liberty, without which neither is possible.

In years that are politically and economically so difficult and decisive, special demands must be made on the solidarity of the society for precisely this reason. "Civilization is in the first place the will to community. Man is as uncivilized and barbaric as one is inconsiderate vis-a-vis his fellowman." The summons of Ortega y Gasset to community should be the motto for the social formation of the society of tomorrow. Against this spiritual background, the incitement of hostility or even the systematic organized class struggle would be the return from civilization to an age of barbarism.

Enlightened citizens, and they are in the majority employees, perceive this relationship. They are against confrontation; they demand of government, parties and interest organizations plans dictated by reason for overcoming a

crisis. For this reason they did not want the labor struggle. They voted, as surveys demonstrate, for performance which is worthwhile, and for reasonable cooperation also and especially in the enterprises. If, therefore, radical ideologists should be able to determine the picture of West German trade unions, they would alienate their organizations from the citizens and, above all, from the members.

The mass of the workers and employees also does not want a development, at the end of which there would necessarily have to be a new totalitarianism. As citizens they want democracy. An increasing majority has already recognized that Marxism and class struggle, the total politicization of the trade unions and their transformation into a "super-party", do not promote social security but endanger it. Such recognition must provide an additional impulse to turn one's back on trade unions so stained. An increasing loss of members will be the result. There are already clear indications of such a development.

After 40 years of unity trade unions, the unions in the German Labor Union Federation must at last decide "what they want to be": A Marxist combat unit or a factor of order in a free society. Noncommittal kind remarks by the chairman of the German Labor Union Federation, Ernst Breit, do not suffice here. Those officials, who do not want to leave the field to Marxist wirepullers, know very well that a radical organization, no longer supported by the majority of its members, can still become enraptured for a while with senseless labor struggles, but will increasingly lose influence and significance. A further party policy determination of the unity trade union must result in the splitting into directional trade unions.

Future of the Trade Unions--Stability of Democracy

A modern trade union, on the other hand, during a time of enormous technical changes, must investigate what other social needs come into being through a perhaps new type of employee; the more versatile his education is, the less he will become friendly with narrow-minded Marxist ideology. Moreover, the young people who have entered the functions of technical employees are no longer dependent on traditions, which led their fathers from a kind of social automatic to traditional organizations. An open liberal society changes social structures quickly. To this change, trade unions, too, must adapt, and last but not least they must understand that the protection of those left behind and those temporarily unemployed consists, not in the struggle against an efficient order, but in the integration of precisely the weak ones in this order. The future of the trade unions and thus the stability of the democratic state will depend on the mastery of this task.

8970

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VAYRYNEN, USSR'S TALYZIN ADDRESS MOSCOW MEETING

LD222218 Helsinki Domestic Service in Finnish 1600 GMT 22 Oct 84

[Text] Foreign Minister Paavo Vayrynen, who spoke as Finland's representative at a gala meeting in Moscow to mark the 40th anniversary of the armistice agreement and of the Finland-USSR society, paid tribute in his speech to the generation which created these good relations. Today, Foreign Minister Vayrynen met with Foreign Minister Andrey Gromyko, with whom he discussed international issues and bilateral relations. Here is a report by Reijo Nikkilae:

This is moscow. Foreign Minister Paavo Vayrynen, who spoke in the October hall of the prestigious House of Unions, expressed emphatically, as he said, his great respect for the generation which built the foundation of the friendship between our countries. In Vayrynen's speech the main object of respect was President Urho Kekkonen, and also President J. K. Paasikivi received tributes from Vayrynen. In the years following the world war, Paasikivi and Kekkonen had to teach the realities of Finland's new line again and again, and only with the results and achievements of the Paasikivi-Kekkonen line becoming visible did the group of doubters really begin to diminish, Vayrynen told the audience at the House of Unions.

In his capacity as foreign minister, Vayrynen concentrated in his speech on an examination of the achievements of Finland's foreign policy in the past decades, starting from the new relations with our Eastern neighbor which gradually became trustful. Vayrynen especially emphasized the fundamental significance of the Finnish-Soviet Treaty of Friendship, Cooperation and Mutual Association for Finland's foreign policy. The word trust was repeated several times in the speech by our foreign minister. The practice of good personal top-level discussions, created during President Kekkonen's term, continues between President Koivisto and the Soviet leaders, Vayrynen said.

The Soviet speaker at the 40th anniversary gathering, Deputy Premier Nikolay Talyzin, who is also chairman of the USSR-Finland Society, said the Soviet Union welcomed the words spoken by President Koivisto a month ago on television, according to which he regards as his most important task as Finland's head of state to continue to strengthen the foreign policy known as the Paasikivi-Kekkonen line.

Talyzin paid tribute for the establishment of friendly relations to, apart from Paasikivi and Kekkonen, also to more extensive circles. A great contribution for implementation of the Paasikivi-Kekkonen line in practice was made by the democratic and progressive forces of Finland, Talyzin said. He gave several examples from the field of economic cooperation as indicating the present good state of our relations, without forgetting other areas such as culture, science, and especially the extensive contacts between trade unions.

However, friendship, trust, and cooperation require, according to Talyzin, continuous nurturing and attention. In his view, relations between our countries must be protected with determination against the attacks of those forces who are not pleased with our good-neighborliness. Here we seen, in the view of the Soviet speaker, one of the main lessons of the past and the most important condition for the development of Finnish-Soviet relations in the future.

CSO: 3617/17

BRIEFS

KEKKONEN'S AMBASSADOR SON RECALLED--Ambassador Taneli Kekkonen [son of former President Urho Kekkonen], who has been sentenced for drunk driving, is to be recalled home. Matti Tuovinen, secretary of state at the Foreign Ministry, announced today that Ambassador Kekkonen will be placed at the disposal of the foreign minister. According to Tuovinen, Kekkonen is guilty of such a serious offence that he cannot continue as Finland's ambassador to Israel, although Tuovinen says that he has discharged his official duties well. Ambassador Taneli Kekkonen was given by the Halikko District Court today a 4 months' suspended prison sentence and fined 8,000 markkas for a serious case of drunk driving. [Text] [Helsinki Domestic Service in Finnish 2000 GMT 16 Oct 84 LD]

DEVELOPMENT CREDITS TO NICARAGUA--A third development credit agreement for 20 million markkas was signed between Finland and Nicaragua today. An agreement was also signed to modernize four dairies in Managua with Finnish assistance in 1984-86. An aid donation of 8.5 million markkas has been granted for this purpose. [Text] [Helsinki Domestic Service in Finnish 0930 GMT 11 Oct 84 LD]

CSO: 3617/17

MITTERRAND STRATEGY, POLITICAL MOOD EXAMINED

Paris ESPRIT in French Sep 84 pp 83-90

[Article by Paul Thibaud: "Mitterrand: Low Profile"]

[Text] In these last days of July, the reader of political commentaries is a little bit tired; he is even fairly well saturated, it is as if he had a hang-over. He is drunk, he has been made drunk by subtle, daring and breathtaking reflections on the broad requirements for the presidency. It is at such times that we see what the "political class" is: it is composed of all those who say to themselves, "If I were he--", who at the table in the tradesman's cafe or in the newspaper office comment greedily and enviously on the Great Strategy's coups. The reader of political commentaries has the feeling that he too is allowing himself to be taken in this game of vanities. We want to believe we are as smart as the government, to hold our own against it in our imaginations; thus we become a part of its performance, and it makes little difference if our intentions are critical.

By its initiatives a government attracts attention to its deeds and acts, it sets a trap for those who claim to see through it, it makes them forget what is most important: its impotencies, the problems it cannot or will not attack. In France, maneuvers of this kind have every chance of succeeding; journalists are fascinated by the sporting side of politics (look at the recent obsessive comparison between the Tour de France and party rivalry), by the power struggle, more than they are by the structural stakes--the changes in civic conscience, the increase or lack of increase in the country's capacities for facing the historic challenges it meets, within as well as without.

The Art of Sidestepping

Because they were not connected with those questions, the mid-July maneuvers, after fascinating those who like a certain savoir-faire, ended after 10 days in ridiculous consequences. A strategy that was to reverse the political balance of power resulted in a ministry even farther removed from public opinion, more dependent on the Chateau and its incomprehensible practices; it promises a chaotic and quibbling debate with the Senate on the draft to be submitted (or not submitted) to a referendum. Even the question of the Savary law has not been settled. It has disappeared, it seems, but with what will it be replaced? What will be the effects in the left of a compromise more favorable to private

education? Not only does the devotee of political commentaries have a headache, but he is telling himself that he has drunk cheap wine instead of champagne.

The government undoubtedly feared that the fall would bring a serious political scrap. The right has a comfortable majority in the country; certain of its legitimacy, it could mobilize for the "threatened liberties" a vast middle-class discontent: the discontent of the partisans of free education, of the independent members of the professions, of the managers, of the students without prospects, etc., a discontent for which anticollectivist propaganda would serve as a catalyst. The fact that a large number of the voters of the classical right went so far as to vote for Le Pen obviously showed the danger of synergy between the cultural or class worries and the profound allergy to socialism felt by significant minorities. To push back the storm, someone had the idea of counter-attacking on the strategic and crystallizing theme. Hence the referendum proposal, an offensive maneuver that makes people forget that one is beating a retreat on the matter of free education and which, at least on the face of it, makes the president of the Republic the best guarantor of liberties.

No doubt the basic idea was that in the offensive fervor of the right, as shown by its rhetorical indignation, its saber-rattling on the "revolutionary situation" and its impracticable proposals (the referendum on free education) there was something artificially blown up; caught in the game of guerrilla warfare and parliamentary obstruction, the right was doomed to be up for bids and hence vulnerable, as shown by the hesitations of a Raymond Barre. If the sacred defense of liberties theme was taken away from him, if he could no longer serve as an ardent unifier, the heterogeneity of intentions would break up, the "movement" (the analogy with 1968 was very much in style, in late June) would collapse again; the right, if it did not become a minority again, would see its momentum and its ambitions shattered; it would be virtually forced to let the left govern until 1986, meaning to prove its management capability, perhaps to benefit from a revival at the end of the austerity. In an interview with Francois Mitterrand on 14 July: the important thing is to win and even "to have won"; in other words, beyond the present fever (which the referendum strategy must cause to collapse), I am counting on the material realities.

In sum, it is a question of sidestepping: the target is evaded (the Savary law before which the adversary is united) and a trap is dangled (the referendum) in order to disorient it. In the meantime, a new strategic plan of action is being prepared.

The Big Power Cut

Beyond a tactical operation to unseat the adversary, for Francois Mitterrand it is a matter of choosing the combat terrain that he must deliver between now and 1986, and as far beyond that as 1988. An apparent change of terrain: they won in 1981, they have even been governing since then under the banner of the left and the left union, now no one any longer will speak of administering (modernize and rally, says L. Fabius). Actually a true change of political identity, it involves abandoning a discredited image to adopt a better one: President Mitterrand's new habits.

This substituting one Mitterrand for another can obviously be accomplished only at the expense of those who encumber in a negative way the presidential image: his regular supporters, whose affection may now be discouraged without it mattering, for it has become burdensome, possessive and compromising. With the faithful, it is necessary to use them differently, to maintain one's distance from them, to practice a statesmanlike ingratitude.

In the private education question, for example, which is, if not the foundation at least the nucleus of the political debate, what do we see? A president who, because he was incapable of making his troops listen to reason, invents the threat of a referendum to neutralize them. The Socialist deputies, Francois Mitterrand suggests, want to remain faithful to their secular conscience and to Mr Boucharaissas; well then, all they have to do is sell their ideas themselves directly to the voters and see if they get by! Meaning that Francois Mitterrand is giving himself the means to use the voters of the right to overwhelm, even to dissolve his own majority. It is explained to us that this game is part of the duties of the president, who has a dual obligation--to his party and to all of the French people. Beneath it all, though nothing is said, by feigning distance one suggests that Gen de Gaulle's example justifies the process.

The comparison does not fit very well: the ideology of the left cannot be dealt with and marginalized as de Gaulle did with colonialist nostalgia. The Gaullian ruse (to mobilize the others against one's own), if its application is extended too far, can become a rash policy. Moreover, a politician does not remake an identity according to his fantasy, he will only succeed in doing so if he appears credible in his new personality. After 20 years of the union of the left, can Mitterrand leave the priesthood and become a rallier? Is it not evidence of a certain megalomania on his part that he imagines himself capable of such a tour de force?

There have been a few signs of it already: it may well be that public opinion quite simply does not understand Francois Mitterrand's attempt to reincarnate himself as the unifier of the nation, that it continues to see him as the head of a left that is in trouble, and that it is not permitting him to make his life over politically, at the price of a kind of abandonment of children, at the price of a power cut by which the Elysee seems to mean to get rid of a naive left, all of whose illusions it encouraged at a time when they might have seemed to be "carriers".

Already, the break with the PCF is being accomplished without the Socialists really deriving any political benefit from it. It is being done as if it was a simple uncoupling, with no real debate, no criticism of the ideas that justified the left union of the time when people believed in it. Mitterrand would like to get clear of his immediate past, he would even like to be unscathed by that past. And that desire for innocence prevents him from explaining himself on that point; he prefers simply to change, without words, hoping to impose the change on public opinion as a fait accompli, an obvious fact. The effect is the opposite: nothing of the past has been truly liquidated, the people are afraid that what has not been criticized is only dormant and may one day surface again. They are telling each other that there is a contradiction in wanting to be free of one's past and at the same time claiming that no part of it is being thrown out.

The Unpopular Left and the Success of Le Pen

Mitterrand's problem, the reason he is applying himself to finding a new image, and what is making his undertaking so hazardous, is the rejection reaction of which the left is the victim; it is less the action of the left than it is the messianic and missionary definition of itself that it gave when it came to power, on the occasion of the Pantheon ceremony, for example, or at the Valence congress. To a good portion of the French people, not all of them of the right, the left (Communists and Socialists combined) has become somewhat like a sect. Public opinion accepts the practical discipline imposed by the crisis, it does not accept the moral constraints or the ideological claims; it rejects authoritative doctrines and supervision of conscience.

The coming to power of the left seems to have unleashed a basically populist wave. Not much there with any relation to fascism, its panic state of tension, its aggressiveness, its devotion to the leader. Instead, the points of comparison should be sought in the United States: McCarthyism, Nixonism, Reaganism. It is an anti-intellectual, antimilitant, antipolitical wave, a cultural revolt against the elite, against their distrust of the vulgar, against their demagoguery and their hypocrisies. In education, security, immigration, the people taking part in this movement (they are much more numerous than the 11 percent who voted for the National Front) think that the politico-cultural elite escape the inconveniences brought on others by the application of their lovely ideas. The foreigners they go around with, the good people think, are Americans rather than Algerians, and their children's schools are not everybody's schools; so they have every opportunity to preach egalitarianism! Le Pen has felt that wind. The fact that on television he has always been treated like someone who had no right to speak has been resented by many as an authoritarian repression, as censorship imposed by high society. The defense of liberties in France, in these times, has that look, which is not really pleasant: the rejection of political voluntarism, the rejection of ethical concerns, whether because they are expressing themselves in too long-winded a manner, or because they are too demanding.

Populism is by definition irresponsible: let us fall! Lovely ideas are not good for anything! Too much is done for the dunces, the delinquents, the immigrants, etc. It is an impotence that is not looking for cures, but seeks to avert its anxieties, which consequently takes delight in repressive fantasies when *laissez-faire* is not enough. The current populism is an individualism, an attitude of withdrawal, it is resistant to recruitment. But sometimes it cultivates a tempered traditionalism, insofar as the values of the old society seem to it to be less dangerous, less virulent than the modern ideologies. The populist, for example, is no bigot, but he much prefers clerics to teachers who belong to unions and to militant bureaucrats; he well knows that religion in our time "can be taken or left alone" and that if a flag is required, the latter is less constraining. The populist protest is justified, at least in part, when, as in the school problem, it expresses a desire for autonomy, the rejection of a state as the sole educator, that we see just beneath the surface in the speeches of certain professional laymen. But this populism constantly sees its desire for independence subside into a desire for ignorance. Not only does it reject the missionary left, but it also brushes off the problems they are talking about. Except for the school question, anti-state populism is not asking

for new structures, on the contrary it is spreading the idea that there is really too much care, and that it is the generous ideas that are creating the problems. Populism has always had, in the face of anything at all, a quick reflex. Therefore, this is only the reflection of a crisis of the political structures, those that are useful for planning and for thinking up solutions to problems. From this point of view, there is a close correlation between Socialist political management and the populist reaction. Just as the Socialists in the beginning actually made too much use of moralistic discourse, letting it be thought that they were approaching power in a crusading spirit, so they were unable, in times of austerity, to promote a genuine participation in collective action, giving the impression, on the contrary, of a government with secret forces and a presidential coterie. The two images they gave of their government (power of the ideologues and power of the chateau) were the most likely to develop withdrawal reactions. The Socialist government's inability to really give an account of its activities, to connect them with something other than esoteric myths or dumb necessity, to develop a true collective pragmatic system, finds its opposing view here, and its sanction.

From one Demagogy to the Other?

What is perhaps most worrisome is that after stirring up the present state of mind by a mixture of untimely preaching and powerlessness to mobilize capacity for action, the Socialist government turns around and makes improvised, even dangerous, concessions to it. After the lowering of the compulsory deductions that had become the watchword of the term, the antireforms amendment was proposed: the people would be protected constitutionally against the generous fantasies of all kinds of influential people, humanitarians of the right and left, the intellectuals. The "referendum on liberties" seemed to be a good way, for example, to stop the temptation to grant political rights to immigrants, which was a public health measure, however; on the other hand, the reformed constitution would make possible a referendum on re-establishing the death penalty.

In making that proposal, the president shook the foundations of representative democracy without adequate precautions*--demonstrating once more his propensity for raising to the rank of principle every phase of his personal tactics. Yesterday he was illustrating more than anyone the tendencies toward moralistic emphasis of the union of the left; today, there he is, in empiricism and the humblest skepticism. He, and Laurent Fabius even more (he who understands his thinking better, it seems), no longer speak in anything but a low voice, as modest practitioners; on the big questions, they would gladly leave it to the people. That is falling from one extreme into another. It is above all forgetting that the crisis of the political institutions cannot be overcome by a stroke of shrewdness, but that the first requirement is new behavior on the part of the government that is fighting the present tendencies toward withdrawal, simply by being a little more honest, by presenting at the same time the existing problems, its ideas concerning them, and the procedures it is considering for solving them. It is demagogic to claim to know everything and also to claim to have had no ideas at all and to be merely the agent of necessity or public opinion. The left in power would be wrong to go from the former demagogy to the latter.

*Francois Goguel (LE MONDE, 23-24 July) has shown that the public liberties would actually be less well guaranteed if Art 11 had been changed. Although it is conceivable that the referendum procedure will be extended, it could only be in order to accept or refuse practical choices, prepared and coherent decisions and not according to indeterminate forms and on questions "of principle", on opinions concerning which manipulation can be given free rein.

The Socialists are well aware that the sadly classic economic policy to which they have resigned themselves is unpopular. What disconcerts them, on the other hand, is this nervous, even aggressive skepticism toward their reform plans: the state is not the supreme educator, it does not have to review the list of good newspapers or tell the people how to live. The criticism from the right is of course disproportionate, but if public opinion listens to them it is because it believes they are adequate, not for the present plans, but for the supposed intentions of the Socialists. A decadent and impotent ideology is not less detested, quite the contrary. What offends the left, what throws it, is the disappearance of the consensus in favor of a more regulated and more egalitarian society on which it thought it could count; the authoritarian moral doctrine it has set for years in the French society, which enabled it irrefutably to affirm the need for "profound changes" (even the right agreed to it), vanished at the moment of going into action. In its place one finds that conjunction of withdrawals that characterizes the present state of mind: corporatism, individualism, traditionalism, security ideology, etc., the only dynamism appearing to be the spirit of enterprise.

One has a feeling that the Socialists no longer know how to tackle a society that rejects their good intentions. Hence their tendency to abandon all social voluntarism as if it could only be megalomania-paranoid-totalitarian or even rhetorical-demagogic-ridiculous, hence the attraction of unprincipled empiricism. This would be throwing out the baby with the bath, this would be renouncing not only undue claims to enunciate the social good, but also the very idea that a social good can be sought. In the strategy in which Mitterrand is engaged, in the casualness of a Fabius or a Chevenement, one divines the possible choice of a kind of ideologic scorched-earth policy, a kind of vertigo in the face of cynical temptation; and if one succeeded against what yesterday we demanded to take charge of, against the ideas that served as our justification? What a nice coup! They thought we were finished, but we have several strings to our bow.

In the Face of Populism

It is not very likely that a cynical conversion on the part of the government of the left can lead to success. Even on the level of economic austerity, the concessions to the pervasive populism may quickly be revealed as costly, as was seen in the case of Reagan. And above all, such a success would be at the price of the left liquidating itself.

There is another issue, however, which we tried to mention here in December* under the name of pragmatism: the honest revision of ideas in the light of the experience of the government. Such a revision should lead to discarding a pretentious and dogmatic manner of imposing the values of the left, of trying to realize them in a social regulation, of presenting them as a good defined in advance, of which only the way it is to be set up is subject to discussion. On the other hand, the values of the left will again find legitimacy if they are presented as ways of acting that are better adapted to current problems. In the face of unemployment, the lack of integration of the young and those on the fringe, the necessity of improving collective effectiveness and social cooperation, the left has things to say in its own right. All of these problems in

*"The Choice of Pragmatism" in the special issue "The Left Experiment Finished", ESPRIT, December 1983.

fact require common action and seek more just relations. This perhaps involves going from an a priori idea of justice, more often reduced to a mechanical equality, to a concrete search for a justice that is not separate from action, that takes into account the real differences in roles, in capacity for involvement, a justice that regulates the distribution of advantages less than it organizes and inspires cooperation in the society.

By making that passage, by renouncing mechanical and administrative egalitarianism in favor of a concrete search for the just in all its forms, by repudiating the idea of a just society in favor of the search for justice in social complexity, the left would endow itself with certain means of dismantling the populist bloc which through clumsiness it has lined up against itself. (Putting Le Pen and Canon Guiberteau together in the street was a remarkable show of clumsiness!) Populism in fact, as a challenge to the state's planned economy, is essentially ambiguous. It is as much the act of those who want to hide their eyes, who are retreating into egoism, as it is the act of those who (as in the case of free education), want to act themselves, virtually to affirm their identity. To the latter, the left must learn to speak without for all that abandoning its values.

Mitterrandism has always had trouble taking ideas seriously, it has always believed that one could, at will, make use of them, mobilize or dismiss them, make them appear and disappear, like musical themes, according to the wishes of the composer. Today it is tempted to reject them outright, whereas it should, on the contrary, begin to respect them. Is it capable of doing that?

8946

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SOVIET PERSPECTIVE ON TRADE WITH FRANCE, YALTA, SPACE

Scientific, Technical Cooperation

Paris L'HUMANITE in French 4 Sep 84 p 6

[Article by Anatoly Bubnovski]

[Text] As is known, the Soviet Union and France were among the first to undertake long-term cooperation in the scientific, technological, and economic fields, thus setting an example of mutually advantageous relations between countries with differing social and economic systems.

The thing that characterizes Soviet-French cooperation is the fact that it is based on agreements between states and is supported by both governments. The long-term program for increasing economic, industrial, and technical cooperation (1980-1990) and the long-term program for increasing scientific and technical cooperation (1983-1993) are of great importance to the continuing development of bilateral relations.

Scientific cooperation is particularly active in the areas of nuclear electricity, exploration of outer space, public health, medicine, and environmental protection, as well as in a whole range of basic research areas.

The cooperation program in connection with nuclear energy involves joint work on fast neutron reactors, controlled thermonuclear fusion and plasma physics, the desalinization of seawater, and thermalizing nuclear reactors. Joint research in high-energy physics is being conducted with the Serpukhov accelerator using the Mirabelle liquid hydrogen bubble chamber. Joint work to create and study superconducting magnets through the complex of acceleration and accumulation is very fruitful.

In 17 years of cooperation in space, several dozen joint experiments have been carried out: the launching of the French Signe satellites by Soviet rockets, the space meteorology research carried out with jointly designed apparatus installed on French captive balloons and Soviet meteorological rockets, installation of the French angle laser reflector on the Soviet Lunokhod vehicle, projects for studying solar plasma, galactic sources of ultraviolet radiation, processes in the magnetosphere and ionosphere, experiments in the study of materials

in space, radiobiology, and cellular biology. The joint flight in June 1982 by the French astronaut and Soviet cosmonauts on board the Soyuz T6-Salyut 7-Soyuz T5 complex was a major event.

Cooperation in medicine and public health takes the form of joint work in the fields of oncology, cardiology, rheumatology, pulmonary disease, pharmacopeia, and medical equipment.

In the field of environment, the joint projects are concerned specifically with the fight against air pollution, the protection of natural bodies of water from pollution, the treatment of urban sewage and the use of dumping grounds, protection of the flora, fauna, and natural environment, and the interaction between man and the environment.

Technical cooperation comprises almost all the main branches of industrial production, construction, energy, and transportation. It is carried out by sectoral task forces. Since the first intergovernmental agreements on scientific, technical, and economic cooperation were signed, areas for cooperation have steadily multiplied and been pursued. Direct contacts with French firms and research institutes have been developed and strengthened.

At present, particular importance is assigned to the initiation and development of joint work aimed at the technical modernization or reequipment of existing enterprises. The work is being carried out with a view to developing scientific and technical cooperation within the framework of joint industrial projects so that its results can constitute the basis for future industrial work using more refined methods and technologies.

Trade Balance

Paris L'HUMANITE in French 4 Sep 84 p 6

[Article by S. A. Baliev, expert with the Soviet secretariat for the Soviet-French Permanent Joint Commission]

[Text] The Soviet Union currently trades with 144 of the world's countries. France is one of our country's main trading partners among the industrialized capitalist countries. The agreement on economic cooperation between the USSR and France for the period from 1980 to 1985 and the long-term program for the development of economic, industrial, and technical cooperation during the period from 1980 to 1990, both signed in April 1979, are being implemented successfully.

During the 4 years that the economic cooperation agreement has been in effect (1980-1983), the volume of trade between the USSR and France has totaled 15.7 billion rubles, or 70 percent more than the volume of Soviet-French trade during the entire preceding 5-year period (1975-1979). According to Soviet statistics, mutual trade between the USSR and France in 1983 rose by 16.6 percent over 1982, with the USSR's exports rising by 6 percent and its imports increasing by 36 percent. A sizable excess of imports from France over exports to France helped reduce the imbalance--unfavorable to France--in bilateral trade.

In the structure of Soviet exports to France, first place is held by raw materials, primarily energy products--petroleum products, and gas--and by sawnwood and chemicals. The Soviet Union also supplies the French market with metalworking machine tools, forging and stamping equipment, passenger cars, tractors, bearings, cameras, and timepieces. However, the volume of exports of machinery and equipment goods does not yet match the possibilities of the USSR, which has powerful industrial potential. In 1982, for example, exports of that group of products to France totaled 42 million rubles, meaning that they accounted for only about 1.9 percent of Soviet exports to France. In view of those figures, it seems necessary to improve efforts to inform French firms as to the export possibilities of Soviet enterprises, to bring about wider participation by Soviet organizations in creating new industrial enterprises or modernizing those already in existence, and to develop industrial cooperation based on specialization between Soviet enterprises and French companies. The so-called antidumping measures that are periodically adopted against Soviet products, as well as the decisions, made on various pretexts, that directly limit imports of such Soviet products as textile equipment, tractors, and bearings--despite the interest French firms have in buying them--create additional obstacles to the development of exports of machinery and equipment goods.

In the case of the USSR's imports from France, the top spots are held by machinery and equipment goods, tubes and rolled ferrous metals, agricultural and food products, chemicals, and consumer goods.

In the past 3 years alone, sizable contracts have been signed with French firms for supplying the USSR with equipment for the production of plant-protecting chemicals, enamel, resins and other polymer materials, equipment for the industrial gas complex in Astrakhan, gas pumping stations, gas cooling stations, telecommunications systems, and an automated control system for the Urengoi-Uzhgorod gas export pipeline, which began delivering additional quantities of Soviet natural gas to France in 1984. We are cooperating with the Renault firm in modernizing the AZLK auto plant in Moscow.

Soviet purchases of various products from France make it possible to reduce idle production capacity in French firms, especially in such industries as machine tool building, mechanical engineering, and iron and steel. In all, Soviet purchase orders are providing work for nearly 100,000 French workers.

The French mass media often emphasize France's deficit in its trade with the USSR. In discussing the imbalance that currently exists in bilateral trade, it should be noted that the periodic shift in the trade balance figure follows the development of bilateral economic and trade relations. From 1965 until 1979, for example, the trade balance was favorable to France--in some years it amounted to 35 percent of the overall volume of trade. Beginning in 1979, the situation changed. The appearance of a negative balance for France is explained by the special features of the product mix in Soviet-French trade and by price changes on the international market. As has already been said, Soviet exports to France are based on the energy products required for the operation of industrial firms and for transportation and space heating. There was a noticeable upward trend in the price of those products on the international market during a certain period of time. That is the main reason for the appearance of France's

negative figure as far as its bilateral trade with the USSR is concerned. It is obvious that when discussing the problem of balance in our mutual trade, we must keep in mind the structural character of that trade, which also appears in France's trade with other energy suppliers. It should be remembered that the deficit in France's trade balance with those countries--both in absolute figures and in terms of the overall volume of trade--is larger than it is in France's trade with the Soviet Union.

However, the Soviet side understands perfectly the French side's concern over this problem and is actively engaged in joint work aimed at a more balanced development of trade through an increase in imports from France. To that end, it was agreed in October 1982 to increase France's deliveries of agricultural and food products to the USSR in 1983-1985. Under the terms of that agreement, we have purchased sizable quantities of those products from France, and this helped to reduce the deficit in 1983.

Practical experience with relations between our countries, including those in the commercial and economic areas, proves beyond the shadow of a doubt that the good will shown by both parties makes it possible to solve all problems and overcome all difficulties. The Soviet Union is continuing to express its support for further development of its commercial and economic relations with France. In the final analysis, that development is destined to serve the noble cause of strengthening trust between the peoples of our countries and to contribute to the preservation and strengthening of peace on our planet.

Advantages for Europe

Paris L'HUMANITE in French 4 Sep 84 p 6

[Article by Prof Margarita Maximova, department head at the Institute of World Economy and International Relations of the USSR Academy of Sciences]

[Text] Enough time has passed since the current leaders in Washington adopted economic and trade sanctions against the USSR and the other socialist countries for us to make a first assessment of the results.

At the start of the 1980's, imports of Western equipment constituted 0.6 percent of the Soviet Union's national income, with 0.04 percent representing imports of American equipment. The "sanctions" adopted by Washington are therefore not capable of influencing the Soviet economy's development in the slightest degree. Not only that, but over the past 2 years, an accelerating trend in the growth rates has been noted. The figure for industrial production last year was 4 percent.

Washington's actions have naturally had certain harmful aspects, and we have had to draw the appropriate conclusions. But the Soviet Union is now in a position not only to satisfy its domestic demand but also to export, even to the West, products whose sale to it has been banned. Sixteen months of the embargo on cereals caused the United States to lose \$22 billion, and the sanctions of 1981-1982 cost it an additional \$2.2 billion.

The share of capitalist countries in Soviet trade fell from 33.5 percent in 1980 to 30 percent in 1983. This was due partly to the disorganization of world trade--the consequence of Washington's policy--the fierce competition on the capitalist market, the drop in the world price of petroleum and other energy sources, and so on. But whereas trade by the capitalist countries fell by an average of 4.5 percent annually between 1980 and 1983 and the figure was 3.8 percent for worldwide capitalist trade, trade between the USSR and the West European countries continued to rise by 7 percent annually. In the early 1980's as in previous years, the execution of major projects continued in various sectors. Let us mention in particular the Euro-Siberian gas pipeline--the largest project in the world--and the delivery of Siberian gas to several West European countries--a project that was carried out despite active resistance by the United States.

In the early 1980's, West Europe's exports to the USSR and the other CEMA countries amounted to about two-thirds of the cost of its exports to the United States and twice the cost of its exports to Japan. The CEMA market received about 18 percent of Finland's exports, 12 percent of Austria's exports, nearly 10 percent of the exports from Greece and Iceland, and more than 5 percent of the FRG's exports.

Here are a few figures by way of comparison: the socialist countries take 1.8 percent of U.S. exports and 2.9 percent of Japanese exports. The CEMA market has become more important than the U.S. market in several sectors of West European industry. In 1981, for example, West European sales of metal cutting machinery to the USSR and the other CEMA countries were 10 percent higher than those to the United States and five times as high as those to Japan. According to the West German Ministry for Economics, about 2,000 West German machine building firms are currently working on Soviet orders and providing about 300,000 jobs. For all of West Europe, the figure is not less than 1 million workers.

One still hears it said quite frequently that the socialist countries, including the Soviet Union, are not reliable payers. But with the exception of Poland, which is going through a difficult period, the ability of the CEMA countries to pay is not at all doubted in international financial circles. At the end of 1982, the total net indebtedness of the CEMA countries to the West totaled between \$65 billion and \$66 billion, but at the end of 1983 it was between \$57 billion and \$59 billion. Here are some figures by way of comparison: Brazil has a debt of about \$90 billion, Mexico's totals \$80 billion, Argentina's exceeds \$40 billion, and South Korea's totals \$40 billion. The Soviet Union's indebtedness to Western commercial banks fell from \$10.5 billion in 1980 to \$4 billion in 1983. That is much lower than the foreign debt of such countries as France, Italy, or Denmark.

The trend toward a recovery in world economic conditions will unquestionably favor an expansion of the USSR's economic and trade relations with the capitalist states. Mechanization of the stock of equipment--already begun--and the radical transformation of industry on new technical foundations will help expand the export sectors as far as machinery, equipment, and other finished products are concerned. Naturally, this will not mean a reduction in exports of raw

materials. The abundance of natural resources--gas and coal in particular--offers the possibility of continuing our exports of part of that production.

The Soviet market enables the Western countries to diversify their sources of energy supplies. Expanded cooperation with the USSR is also of value from the standpoint of the reforms of economic structures begun in those countries and meets the need to rehabilitate various "obsolescent" sectors of industry.

As far as imports are concerned, the Soviet market is so vast that there may be room for any country interested in mutually advantageous cooperation and for any firm, be it large, medium sized, or small.

Strasbourg Fair

Paris L'HUMANITE in French 4 Sep 84 p 7

[Interview with Nina Sapozhnikova, director of the Soviet pavilion at the Strasbourg Fair]

[Text] [Question] This is the first time that the Soviet Union has participated as a government in the European Fair in Strasbourg. What can you tell us on this subject?

[Answer] Our country did sponsor national exhibits at previous fairs and international shows held--depending on the year--in Paris, Lyons, Marseilles, Bordeaux, and Metz. This level of participation--involving the entire state--testifies to our desire to expand European economic cooperation and to develop Soviet-French business ties.

[Question] What is being presented at the Soviet pavilion at the Strasbourg Fair?

[Answer] We are presenting 2,000 items from 170 industrial enterprises established in the various Soviet republics.

For the first time ever in a fair, we are presenting solid-state lasers, which are used in medicine as well as for solving numerous technological problems.

The most interesting items for scientific and technical use are the following: a digital water-quality analyzer that has no equivalent in use anywhere in the world, wear-resistant antifriction plastics, all-purpose glues whose applications range from machine building to medicine, and many other things as well.

Among the industrial goods being exhibited at the fair and enjoying constant demand in France, we should mention radio equipment, weapons for hunting and target practice, and the famous Russian furs.

I feel that this Soviet exhibit has something of interest for everyone--for the ordinary visitor as well as the professional and the businessman.

[Question] As a representative of the Chamber of Commerce and Industry, what do you think of economic cooperation between the USSR and France?

[Answer] Soviet-French economic and trade cooperation is based on three fundamental principles: it should be long term, sizable, and mutually advantageous. On the basis of those principles, the USSR is prepared to develop cooperation with France. I would like to emphasize that we view the future of economic and trade relations between our two countries with optimism. I feel that development of our bilateral cooperation strengthens the global position and prestige of the USSR and France as well as peace in Europe and the world.

USSR-France Association

Paris L'HUMANITE in French 4 Sep 84 p 7

[Text] The Year of French Language and Civilization in the Soviet Union is being organized in accordance with the protocol signed last March at the fourth session of the Soviet-French Permanent Commission for Cultural Relations and constitutes a sort of counterpart to the Year of the Russian Language that was sponsored in France in 1982.

The USSR-France Friendship Association is planning to hold meetings, colloquiums, and exhibits, as well as concerts and French cultural weeks, throughout the USSR.

Patronage Committee of 100 People

The patronage committee includes leaders of organizations and government leaders, politicians and public figures, researchers, professional people from the world of culture and the arts, and the mayors of cities with twin cities in France: over 100 people in all.

Just recently, a French delegation visited the Soviet Union. It included representatives of the Ministries of Culture and External Relations and linguists. They received a favorable impression of the way in which the Year of the French Language is being organized and carried out.

There are currently 2.7 million Soviet schoolchildren learning French. In the regular schools, the teaching of foreign languages begins in the fourth year of study, while in specialized schools, where foreign languages are studied more thoroughly, they are taught beginning in the second year. The so-called special French schools are attended by 60,000 children.

As part of the Year of the French Language, contests are being held in all schools where French is taught. They began on 6 April and will end this autumn.

The French teaching specialists who visited the Soviet Union were able to note the high level of French teaching. But Soviet teachers are not content with the progress that has been made and are hoping for help from their French colleagues. They therefore have every interest in seeing their contacts with teachers from France continue to develop as a means of improving the teaching of French not only in the schools but also in the pedagogical institutes where future teachers are trained.

French Studied by 400,000 Students

Specialists in French language and literature are trained at 40 universities and 80 pedagogical institutes. There are 20,500 students. The annual class of teachers, researchers, and translators exceeds 3,700 persons. French is being learned by 400,000 students distributed among most of the specialized institutes of higher studies and secondary schools.

The expansion in the teaching of Russian in France and of French in the Soviet Union to keep pace with the increase in trade and the closer scientific and technical ties will help to strengthen the climate of trust and cooperation between the two countries.

The Year of French Language and Civilization and all the events being held in connection with it will contribute to the development of Soviet-French relations in science, culture, literature, and art.

French Benefits From Yalta

Paris L'HUMANITE in French 4 Sep 84 p 7

[Article by Soviet historian Vladimir Slavenov]

[Text] History often bursts into the present. It can influence and act upon a person's frame of mind. That is why certain political figures and statesmen contrive to create all kinds of historical myths for the sole purpose of misrepresenting the real significance of certain events.

One of those myths that has been widespread in France for a long time ought to have disappeared under the pressure of facts, but there are certain political forces which assiduously keep it alive. If you ask the French what they think of Yalta, they will immediately tell you that it meant the dividing up of Europe between the two superpowers, the result being that the countries of East Europe wound up under the boot of the "elder brother." That cliché is so firmly rooted in mentalities that politicians no longer even need to provide any additional explanations. They can develop their anti-Sovietism on that foundation and justify the destabilizing attempts aimed at the socialist community, which, despite its growing pains, is defending its social, political, and economic achievements in the face of pressure from imperialism.

According to French historian Alfred Grosser, viewing Yalta as a synonym for the division of the world between the United States and the USSR is part of the "most firmly established myth in French political life. No matter that there is no document to justify such an interpretation: for France, Yalta will remain the symbol of a world system dominated by the superpowers."

During the days of detente, that myth was utilized by those who entertained unfounded fears of a Soviet-American condominium. Now, however, in this period of tensions being encouraged by Washington and its allies, it is taking on a completely different meaning: it is now a matter of shattering the status quo that resulted from World War II and was ratified by several agreements and by

the final act of the Helsinki Conference. U.S. Secretary of State George Shultz said openly in Stockholm that the United States did not recognize the legitimacy of that "artificial division" of Europe. Washington's new "crusaders" want to challenge the conventions, signed during and after the war, that established the frontiers resulting from the defeat of Nazi Germany. Washington's declaration of 31 May 1984, for example, clearly showed the support being given to the FRG in the latter's efforts to absorb the GDR. As for the President of the United States, R. Reagan, that irresponsible "joker" is constantly "banning" the Soviet Union. And he is willing to undertake a nuclear war. When one is dealing with people like that, nothing is surprising.

But a question arises: how can West Europe's politicians take up the same refrain concerning the "cancellation of Yalta"? What does France expect to cancel? The underlying significance of the Yalta Conference, which will soon be 40 years old, was that it laid the foundations for long-term cooperation between the chief powers in the East and the West. The Allies did not divide up the world at Yalta. They completed the job of destroying fascism and devoted themselves to organizing the international community to preserve and consolidate peace.

It is not superfluous perhaps to recall another historical fact: it was Yalta that restored to France its attributes as a big power. In the resolutions adopted at the Yalta Conference, France took part in signing the Declaration on Liberated Europe. It was one of the powers signing the invitations to various countries to attend the San Francisco Conference, where the United Nations Organization was established. Lastly, an occupation zone in Germany was allotted to it and a place reserved for it in the Allied control mechanism. The Soviet Union had a positive attitude toward France during the discussion of all those questions. In the months that followed, France had the opportunity to confirm its rights as a big power by participating in a number of actions alongside the Allies. On 8 May 1945, for example, a French representative, along with Marshal Zhukov and representatives of the other big powers, attended the ceremony for signing the act of unconditional surrender by Germany. The same was true later, on 2 September, in connection with the Japanese surrender. On 5 June 1945, along with the USSR, Great Britain, and the United States, France signed the declaration on the defeat of Hitler and the assumption by the governments of the four Allied powers of supreme authority in Germany.

That is what Yalta meant for France. It is not surprising, therefore, that the French Government, and even General De Gaulle, approved the resolutions of the Yalta Conference in their essentials. It was not the content of the resolutions that caused discontent on the part of French leaders, but only the fact that they had not been represented at Yalta. And on that score, it is from their American ally that the French ought to ask for an accounting.

The lie concerning the division of Europe was fabricated by Churchill after the event to poison French-Soviet relations. But why is that fable being resurrected today? To "leave Yalta behind" by overthrowing an order which was established after the war and which has proven itself. Denigrating Yalta, which contributed to the circumstance that France occupies an honorable place in the community of nations, does not seem to be the best way to protect France's national interests.

Today, the Soviet Union remains faithful to its international commitments, including those to which it subscribed in Yalta. It assigns special importance to the good traditions of Soviet-French relations, which were forged in the common struggle against Nazism and in the postwar period, when the foundations of detente were being laid.

Today, on the eve of the 60th anniversary of the establishment of diplomatic relations between the USSR and France and the 40th anniversary of the Yalta Conference, Moscow still has an attitude of friendship toward the French people. The Soviet leaders feel that there are many possibilities for expanding and developing Soviet-French relations in all areas. This would help to strengthen peace and security in Europe and in the world. But while Moscow's good will is necessary to achieve the above, good will by Paris is also necessary. And that involves a responsible approach to the facts and lessons of history.

Equipment Exports

Paris L'HUMANITE in French 4 Sep 84 p 8

[Article by V. I. Lukine, director of MASHINOEXPORT]

[Text] The scientific and production foundations of metallurgical equipment building in the Soviet Union offer extensive potential for exporting metallurgical and foundry equipment to France. The Soviet central organization known as MASHINOEXPORT is the sole supplier of Soviet metallurgical and foundry equipment.

Exports of metallurgical equipment to France began to develop in the mid-1960's, when the Vallourec (Montbard), Trefimetaux, and Taltubes companies bought 10 cold-rolling mills for rolling very thin-walled tubes that were distinguished by the high quality of their internal and external surfaces. Those tubes are used in connection with nuclear energy and in the aircraft, chemical, and other industries.

Exports of metallurgical equipment to France expanded rapidly in the early 1970's, the period when a metallurgical plant belonging to the Solmer firm was being built in Fos-sur-Mer. That firm's blast furnaces were supplied with hot-air valves measuring 1,600 mm in diameter and equipped with an evaporative cooling system. They have a service life of 5 or 6 years, whereas the hot-air valves installed in other French blast furnaces last only 1.5 or 2 years.

V.O. MASHINOEXPORT is now offering the second generation of double-coil plates, which can tolerate the highest heat loads in a blast furnace. Their use also makes it possible to use from 60 to 100 times less water for cooling the blast furnaces and to utilize the waste heat.

Some French blast furnace facilities lack pig casting machines. Soviet machines of this type have earned an excellent reputation in Finland and Sweden. Those countries also use Soviet slag ladles that have now been operating faultlessly for over 10 years.

Soviet manufacturers have designed oxygen converters to meet the needs of steel mills that are now being rebuilt. This involves primarily the converter drive

mechanism mounted on the mantle trunnion. This design makes possible a considerable reduction in the size of the converter.

The double horizontal continuous casting machine (MHCC) is a new item in the central organization's export program in connection with the production of steel ingots. In 1983, experts from the French firms of Ugine Steels, Iroide, and Creusot-Loire and the Association of Iron and Steel Producers saw this machine in Moscow and evaluated it positively.

Based on the use of Soviet MHCC's for double rod drawing, roughing trains, push benches for tubes, and rough forging mills, MASHINOEXPORT proposes the following plan for steel minimills using scrap: scrap storage area, electric arc furnaces, MHCC, and spiral rolling mill with special thermostats to retain slab heat. Lastly, there are special mills for forming various parts: toothed wheels, crane wheels, spindles, sleeves, and other machine members in the form of solid or hollow rotating bodies.

Soviet ball trains [as published] are designed on the basis of spiral transverse rolling in two-high rolling stands. They have been supplied to Halipaps in Great Britain, Fagersta in Sweden, and Kordt and Rosch in the FRG.

For rolling mill plants, MASHINOEXPORT is prepared to offer backing-up rolls and working rolls of cast iron and steel, notably steel produced by the electroslag remelting process. For several years it has been supplying rolls to several countries, including Italy and the FRG. A shipment of rolls is going to be delivered to the French firm of Vallourec.

Instead of the pendulum saws and sliding saws used for crosscutting rolled and hot-forged parts, MASHINOEXPORT is offering hot-cutting rotor saws whose cutting capacity, at $150,000 \text{ mm}^2/\text{s}$, is from 50 to 70 times greater than that of ordinary saws.

Soviet cold-rolling mills for rolled tube (HPTR's), which are supplied to France, produce a geometry and finish on external and internal surfaces that make any machining of the tubes superfluous. Tubes that are hot rolled or cold rolled by cold-rolling mills (HPT's) can serve as blanks for producing tubes--on the HPTR's or by drawing--whose dimensions require great precision and a high degree of finish. Soviet HPT and HPTR mills make it possible to produce tubes of steel alloyed with carbon or titanium, various zirconium alloys, and nonferrous metals and their alloys whose resistance to rupture reaches 100 kgf/mm^2 . The four models of the HPT mill offered for export produce tubes with an external diameter of between 16 and 250 mm.

For producing tubes in continuous strips by forming "continuous" rough-forged tube and using high-frequency longitudinal welding, MASHINOEXPORT offers its Tesa 20-76 tube welding train, which produces tubes conforming to the width of the strip, whose diameter may range from 17 to 75.5 mm (that is, from three-eighths of an inch to 2.5 inches) [figures as published; possibly the sentence should read: ...produces tubes whose diameter, depending on the width of the strip, can range from...]. This mill uses fewer rolling stands than are called for in world practice. As an option, it can be fitted with a "defectoscope" for inspecting the welds.

Soviet designers have developed a process for producing large-diameter tubes with two spiral-welded layers that involves interleaving the strips. Thanks to the offset between the spiral welds on the internal and external layers (from 100 to 150 mm between them) and the absence of a collar "cordon d'effondrement" during welding, the possibility of fissuring is reduced. These tubes are more resistant to fractures caused by the splitting of fissures or the junction of spiral welds. Lastly, strip that is twice as thin and made of less costly steel without overly expensive alloying elements is used. The strip can be produced on heavy-duty universal mills. The USSR has begun the production of mills for welded two-layer tubes with an external diameter of 1,220, 1,420, or 1,620 mm.

A new piece of equipment (the IMA) has now rounded out V.O. MASHINOEXPORT's export program. It is used to determine the mechanical properties of flat products and low-carbon tubes by a nondestructive testing method. On the basis of pre-established tables or diagrams, and in a matter of a few seconds, it determines the chief properties of the product, including grain size. The first of these units were bought in 1983 by the Japanese firm of Kyokuto Bussan Kaisha.

V.O. MASHINOEXPORT's commercial interests with respect to exports of metallurgical equipment to France are handled by Brun Exports, a subsidiary of the firm of Brun Brothers. For all information, contact Brun Exports and the USSR trade delegation in Paris or the French-Soviet Chamber of Commerce and V.O. MASHINOEXPORT in Moscow.

Space Weapons

Paris L'HUMANITE in French 4 Sep 84 p 8

[Article by B. Tarassov]

[Text] A year ago, on 19 August 1983, the Soviet Union submitted for study by the 38th session of the UN General Assembly a draft treaty banning the use of force in outer space and the use of force against Earth from space. Its document was approved by 147 votes. The measures it contains are in line with the agreements that were concluded during the period of detente.

So far, however, there is no very clear-cut ban on the deployment in space of weapons not included in the notion of "weapons of mass extermination." An example would be space-based directed-energy (beam) weapons.

According to scientists, notably Boris Rauchenbakh, a corresponding member of the USSR Academy of Sciences, developing a space-based directed-energy weapon presents enormous technical difficulties and will require colossal expenditure--something that is completely amoral [as published], considering the millions of people in need of aid. Moreover, a start on developing this weapon will immediately provoke retaliatory measures by the other side--measures that will be cheaper and capable of paralyzing the system initially created at the cost of enormous effort, as is shown by the study carried out by Soviet scientists. That is why antimissile beam defense will be able at best only to partially weaken the destructive effectiveness of intercontinental missiles. The absolute guarantee mentioned by President Reagan is unachievable. But defense against missiles must be absolute, otherwise it is meaningless, because even if an

insignificant number of missiles get past the barrier of beam weapons, they will cause uncountable disasters. All of this proves the futility of hoping to create a shield providing absolute protection as well as the bad faith of those praising the idea.

The United States deployed two ground-based antisatellite systems as far back as the 1960's: one on Kwajalein Island in 1963 using the Nike Zeus antimissile missile, and the other on Johnston Island in 1964 using the modified Thor missile. But the militarization of space was given new impetus after President Reagan entered the White House. The presidential directive of July 1982 concerning the exploration and use of space assigned paramount importance to military space programs, and \$9 billion were allocated to those programs in that fiscal year alone. Tests have already been made with a satellite-destroying system carried on the F-15 fighter plane. Work is underway to equip the Navy Air Force's aircraft with antisatellite missiles.

Present-day satellites are eyes and ears. They make it possible to monitor compliance with international treaties and disarmament and to observe the launching of ballistic missiles. The use of satellites for defense purposes is, to some extent, a factor in deterring the aggressor and helps to stabilize the international situation.

Thanks to satellite-based space communications, more reliable contact between statesmen in case of tension is possible. This also reduces the probability of incorrect decisions being made in serious or critical military-political situations.

Today, the establishment of space-based antisatellite and antimissile systems for the destruction of an opponent's satellites and missiles and for action against ground targets is causing anxiety among peoples.

Even in the United States, it is recognized that the establishment of antisatellite systems makes no sense if one rejects the idea of making the first strike and triggering a nuclear war.

The appearance of antisatellite weapons increases the danger of a nuclear catastrophe for another reason. It will complicate situation assessment and increase the danger of fortuitous factors. What will happen if information from the satellite monitoring the launching of ballistic missiles stops coming? It could be supposed in such a case either that the interruption was caused by technical failure or that a piece of space equipment had been hit by an antisatellite system. If it is determined that an antisatellite system was used, an almost unequivocal conclusion is inescapable: the opponent is preparing to strike a nuclear blow with ballistic missiles.

As a consequence, claiming that the development of space weapons will reduce--supposedly--the danger of nuclear war is only a lie intended to dupe the peoples, deaden their vigilance, and demobilize the millions of people who are struggling against war on every continent.

Space is less than 160 kilometers from every person on the planet. For most people, space is closer than the capital of their country. No country, no remote island, and no person will be safe if weapons are deployed in space. No time must be lost, because it is easier to prevent an extension of the arms race into space than to remove weapons from space. That is why the Soviet Union is proposing an agreement on a total ban on tests and the deployment of all types of space weapons that might be used to destroy air-based or ground-based space targets. The Soviet Union has unilaterally committed itself not to deploy antisatellite weapons in space. It is prepared to reach agreement on elimination of the existing antisatellite systems and on banning the establishment of new systems. The overwhelming majority of countries support those reasonable proposals.

The exception is the United States.

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REVOLUTION INITIATES STUDY OF PCF PROBLEMS

Hermier Editorial

Paris REVOLUTION in French 28 Sep-4 Oct 84 p 7

[Editorial by Guy Hermier: "With Lucidity"]

[Text] Following the meeting of the Communist Party Central Committee -- the event of this issue -- many commentators have expressed their disappointment that it has not led to those confrontations announced and even desired for weeks.

The importance of the questions posed, the seriousness and scope of the discussions, have surprised more than one person. And yet, it will not take long for them to get tired and to go back to the known issues of a Communist Party abandoning the union of the left, returning to the ghetto, a party incapable of adapting to its time, in a word, archaic.

For example, they present the analysis of the past two decades of struggle proposed by Georges Marchais' report, as a kind of war machine against the union of the left or even the open prospect of a new majority rally of the people as a gadget unrelated to political realities.

But that is to denigrate the real situation in which we find ourselves today. The communists are inventing nothing when they say that government policy, far from warding off the crisis, is accentuating the difficulties of the country and the people, demobilizing popular forces and, given the appetites of the right and employers, involving serious risk of failure. Millions of men and women who placed their hope in the left are observing it with us. They are experiencing profound disappointment and quite legitimately wonder what must henceforth be done.

To respond to this major question, it is essential to go back over the reasons why, despite real accomplishments, things have not worked in the final analysis. That is what the Central Committee of the Communist Party has done, carrying the analysis of the consequences of the lag it suffered, at the crossroads of the 1950's and 1960's, in defining a new strategy of a democratic advance toward French-type socialism.

Obviously, not everything in political life depends on the activity of the communists alone. And yet, one has to observe that the type of union in which the Communist Party has engaged, failing to have worked out innovative proposals in time, has had profoundly negative effects on the entire people's movement and on the Communist Party itself, to the extent that it gave priority to summit agreements to the detriment of the intervention of interested parties.

One must lucidly derive all the lessons to be learned from this period, particularly the central idea that one must first of all work to rally the people's forces in fights for objectives making it possible to make true progress against the crisis. Consequently, there can be no question of abandoning the union of the left or the possibility of political agreements, but of ensuring that the latter, far from heading up the people's movement, truly reflect it.

Therefore, what is on the agenda is to work in all areas to rebuild a ratio of political forces more favorable to change, given the prospect of a new majority rally of the people. Unless one envisages withdrawing into oneself or some shift toward an acceptance of the fatal nature of the crisis and a policy that does not resolve all problems, there is no other prospect.

Nor is this a last resort, while awaiting better days. This prospect can and must be built upon now, in all struggles to fight the crisis, the capitalist management of enterprises or even the dictates of the dollar, making up points in the sphere of social justice, new growth, self-management democracy and French independence, which are at the heart of our concept of socialism for France.

And this fight to open up new prospects of progress on realistic foundations, is it archaic or the pursuit of a policy that speaks of modernization but that cuts into our production capabilities, worsens unemployment, reduces the purchasing power and finally plunges the country into difficulty? To ask the question is to answer it.

In the discussion beginning among communists, many problems are and will be posed. This is perfectly normal, even necessary. However, one must realize that, without going to the heart of the debate on the prospect, one would be skirting a key question because it is at the heart of the people's concerns and the new situation created in the country. On this question and the others, REVOLUTION will in the weeks ahead try to make its original contribution to essential reflections on the future.

Form of Left Union

Paris REVOLUTION in French 28 Sep-4 Oct 84 pp 8-9

[Article by Desire Calderon: "Rallying and Succeeding"]

[Text] Early last week, the Central Committee of the Communist Party met for three days. On the agenda: the political situation and plans for the 25th Congress. On Thursday, L'HUMANITE

published the report presented by Georges Marchais at the opening assembly of the session and passed unanimously minus one vote. On Saturday, L'HUMANITE published a summary of the 81 speeches before the Central Committee, thus launching discussions for the 25th Congress of the PCF. An important period is beginning for the communists, but not only for them, because the role they occupy in the political life of this country as it has been historically structured means that the decisions they must make concern all of society. In the following article, a few elements will be found on which one may judge the state of that debate.

It was a singular contrast: For several weeks, commentators and political observers set about untangling, in the harum-scarum events of summer, the outline of the future political landscape.

Concerning the government, they saw that the discourse of Laurent Fabius was henceforth adapted to the reality of objectives which, constantly shifting, had become those of the government for the past two years. They praised themselves that the spellbinding lyricism of Pierre Mauroy was no longer there to mask the reality of the orientation, all the while wondering about the government's difficulty in making this political re-alignment coincide with a redeployment of the electoral following. Research therefore concentrated on the Elysee's means of getting around the contradiction consisting of abandoning any reference to the content of the union of the left, while abstaining from explicitly pointing it out in order not to alienate what remains of the May 1981 electorate. A moderate government, the latter advised. Another referendum, suggested the former. In short, how could one replace the legitimacy of May 1981 with a new legitimacy based on acceptance of the crisis?

With respect to the right, explorations were directed toward the new field that might open up to a Raymond Barre building his credibility on the updating of the values of "austerity," "sacrifice," adapting to the crisis. The goal here is to rally voters of the right, ranging from the least credible elements (Le Pen), going through the RPR, to the moderate or undecided voters, and including those "disappointed with socialism," finally building a majority leading to a return to power.

One thus witnesses an attempt to redefine the political field against a background of an acceptance of the crisis and, on that basis, the hope of building majority groupings putting the Communist Party out of the game. In short, any prospect of change would be totally dead. Nothing would be left but to measure the extent and examine means of molding the electorate, in spite of itself, following new outlines providing the means to govern. Naturally, the idea of the union of the left remains a reality that structures representations. This is why the government and especially the Socialist Party cannot openly get away from it. But they refer to it only in emptying it of all content, seeking only the election machinery, just as one backs a type of voting. The situation is somewhat comparable to that of the right, whose parties are forced to differentiate themselves but which can only affirm their identity through the election mode, linking it to majority voting. It is the only way sparing its different component parts from having to take an autonomous stand on the basis of a clear

program. For the Socialist Party, it is a question of not putting pressure on the aspiration toward the union except to gather the election fruit, while using its contents to get free of its aspirations. This was the case in the phase of winning power and in its governmental action, refusing to organize the process of change around the social movement built throughout the past 20 years, using it in the very course of governmental activity. This way of playing on the keyboard of the union is not only aimed at communist voters, but at all those who continue to believe in possible change. They would have but to side with that which remains available on the political "market," reducing their choice to that of a "low-profile socialism," thereby confined to a redistribution of the crumbs of the crisis. From this standpoint, the citizens are called upon to be the passive agents of an adaptation of the capitalist system to the crisis.

Safeguarding a Way Out

All the political forces therefore try, through rival strategies, to give a redefinition of the political field, whose common denominator would be an acceptance of the crisis, while integrating -- and reorganizing -- that which remains of the people's movement of May 1981. It is within such a context that the PCF, far from allowing the arena to be dangerously closed, intervenes to protect a way out. The stakes are heavy, dealing with the very crisis in society and the prospect of a real alternative, a credible, effective way out and therefore, with all the immediate progress that can be made.

The communist approach of promoting a new majority rally of the people is based on the need to acquire all the means to unify the way out, without separating the political moment from the moment of the implementation of change, without cutting the need for immediate progress in the content of society off from the prospect itself.

If it is true that the very nature of the crisis calls for -- and places on the agenda -- a change in society, then that new organized rallying against the crisis must come with respect to immediate demands and, in so doing, the contents and process of change. While the potential for such a rallying is in its majority vocation, then it can neither be confined to party accords that would form an ideological and political precondition for all those interested in such a rally -- meaning the majority of the country -- nor subordinate its activity to accords that would deprive it of the prospect, that would turn leadership over to staffs. In this approach, the agreements must proceed from the people's movement, punctuate and support it at a given time in action, form a component part, but not be substituted for it.

The credibility and effectiveness of that majority rally of the people that must be built have to do with its necessary aptitude for taking control of the very process of social transformation and mastering its political shaping. It is at the heart of the social stakes and the multiple aspects of the crisis, including that of the policy that some try to cut off from the field of society.

That is why the lesson which communists derive from the past experience, in defining and promoting this new people's rally, does not reduce the renewal of

their strategy to an inherent criticism of the forms of the union. But this updating is also linked to the new type of intervention in society which the PCF proposes to deploy and which this form of union has partially impeded, delayed and obstructed.

The media thus mask the significance of the approach explicitly contained in the report of the last Central Committee, trying to limit the PCF to past representations. The argument is that by not linking its fate to the institutional and dominant position of the PS or the government, it would have failed in its updating and modernization in advance and would have no more prospect to offer. The old refrain that goes far back in time. For example, in 1964, when he tried to impose his candidacy on the communist voters "without having to negotiate anything at all with the PCF," he explained, Gaston Defferre claimed that it was a way "of forcing the PCF to modernize," the argument already being that "those who would vote communist would play into the hands of Gaullism." But this concept of the union of the left, depriving voters of the contents of the policy and therefore, of the means of bringing the prospect about would be implemented in spite of everything.

First of all, the PCF, upon emerging from the cold war, had not worked out any approach to socialism and feared being isolated. Its analysis of the Gaullist regime (concentration of power, the events in Algeria, police provocation, the recourse to Article 16) had led it to give priority to the matter of the political alternative to personal power, postponing the question of socialism.

Second, the Socialist Party, after being divided for a long time on the nature of its alliances in order to win power, had pitted against the moderate strategy according to which one should ignore the communists in any majority grouping, the following one: It would be by becoming allied with the communists in an institutional process having an upper hand over the content of the alliance that their exclusion could be obtained.

This worked until the last presidential elections, when, benefiting from its identification with change, the PS designated the PCF as a party violating freedoms, rejecting change, and suggested the need to weaken it in order to gain its victory. Did it pose the question of means? The fact is that it was not realistic and did not want change, that it was guilty of "anti-union" feelings." The "union of the left" had been reduced to a key word, a magical word, discarding any other consideration than the sole objective of election success, following which everything would change. Today, illusions have given way to disappointment and disarray.

Through this form of union, there has crystallized a relationship of the people's movement with the policy made up of a wait-and-see attitude and a loss of decision-making power, cutting the election moment off from the implementation of the objectives contained in the vote.

This is why the criticism of the form of union is linked in the approach of communists, in order to promote this new people's rally, with a new type of intervention that does not guide the social movement from the top, but participates from the inside in order to encourage the expression. It does not

decree solutions, but associates the greatest number with the definition of objectives for concrete advances, seeking out converging interests against the crisis. For example, in the past, as part of the logic of the process -- in 1977 -- the communists intervened at the top for the definition of the level of the Interoccupational Minimum Growth Wage or the number of nationalizations needed to guarantee that change would be possible, through an updating of the common program.

Today, it neither neither supplies nor defines in advance, but rather, through its analyses and proposals, somewhat nourishes at the source the conditions needed for the social movement so that it may itself define its proposals, objectives and the means to guide it.

Great Ambition

For example, just as the PCF has just done in the automobile industry, it is by proposing means of intervention in the very management of the economy, by enterprise or sector, in order to cut waste and develop growth through the creation of jobs and new wealth everywhere possible, that it is working to build a people's rally which itself will contain and master the necessary transformations.

The approach is important: "How can one fail to see that it is in a veritable transformation that we are involved, a transformation in our policies and practices that we deem necessary in order to master the change in society and thus change that society itself?" the Central Committee of the PCF emphasizes. Any attempt to order it outside the interplay of society comes at the precise time when it is its entire relationship to that society which it proposes to renew in order to bring off this new people's rally. It is not an external conception of the intervention of the PCF in businesses or cities, universities or laboratories, as an outside force ordering solutions and calling for the rally. Rather, it is the Communist Party and communist militants who participate in the very fabric of social, economic and cultural life and are enriched by it, in order to promote the appropriation, by the largest number of citizens, of the means and conditions of every step forward, however minimal and limited it might be.

When it criticizes the "form of union," it is an entire concept of politics, now in a crisis, of which it gives this evaluation: "We shall not move forward toward a solution to the crisis, toward a real implementation of the necessary transformations, without the active and dynamic participation of millions and millions of men and women. It is therefore a question of putting an end to the old concept which views as mere puppets the most diverse forces that rally together while the leadership of the movement is supposed to be exercised elsewhere."

This approach contains the parameters of a profound and ambitious renewal of French democratic life, of a prospect finally open to a country which, being the homeland of the invention of citizenship, freedom and equality, has for several decades witnessed the deterioration of its political vitality.

Without a doubt, the PCF's delay in working out its strategy has in some ways influenced the implementation of its successive innovations (22d, 23d and 24th congresses, anti-crisis initiatives in the 1981-1983 period). But the 25th Congress, unless it is a multistage congress superimposed on preceding congresses in the interplay of references, can only be a congress of their complete coming together, deriving all the consequences of these steps forward with respect to the political and social practices of communists, the place of the PCF in society and the relations it maintains with it. The stakes are indissolubly linked to the protection and regeneration of a democratic alternative: socialism, for France.

Le Guen Interview

Paris REVOLUTION in French 28 Sep-4 Oct 84 pp 10-11

[Interview with Rene Le Guen; date and place not given]

[Text] [Question] The first question should perhaps be your overall view of the Central Committee meeting last week.

[Answer] That meeting led to a broad, open and thorough discussion of the main guidelines emerging from the report of the Political Bureau presented by Georges Marchais. That is the first point: 81 speeches in three days is a lot. The second point: We saw that there was not that outward unanimity they sometimes deck us out in. The discussion brought out the determination of the great majority of the members of the Central Committee to plunge into the debate in order to make every single organization of the party appreciate the political choices contained in the report.

In a sense, the session was of a totally different tenor than the June meeting, at which certain speeches had much more to do, it seems to me, with immediate reactions tending to blame the party for the main causes of our loss in influence. This time it was first of all the analysis of the political situation that concerned us, a thorough examination of the experience and practices of recent years, the reaffirmation of our basic strategic choice in order to move toward French-type socialism, through democratic means, and based on a new majority people's rally founded on an analysis of the crisis and the need to provide new responses.

[Question] Deepening and confirming the strategy of the three preceding congresses is the objective that the Central Committee has set for the coming congress.

[Answer] That is the reason why the first part of the report, recalling the reasons that have forced communists not to participate in the Fabius government, does not limit the analysis to the very recent period (formation of the Fabius government, abandonment of the Savary Law and a few other retreats in the face of the demands of the forces of the right and employers), but goes further. This analysis must deal with the experience of the entire period of the past three years. Actually, confining our analysis to the new situation created by our nonparticipation in government, without discerning the fundamental reasons,

could lead us to a situation of failure bringing about a revision of our strategy. That is what has led the Central Committee to reflect, on the basis of the report presented by Georges Marchais, on the reasons which, despite the victory of the left, despite the formation of a leftist government, despite the presence of communist ministers on the basis of a political agreement between the two parties, have meant that starting in 1982, the government has gradually moved away from its 1981 commitments in the guise of an austerity plan. Actually, after economic and social measures moving in the right direction and taken during the first months of this government, other measures followed which, in preserving the decision-making mechanisms of capital and promoting the development of its structures, could only engender a worsening of the crisis in short-range terms.

Considering the period as a whole, we have therefore concluded that difficulties encountered by workers in taking up the fight against the crisis had nothing to do with the strategy worked out by our previous congresses, but rather, had their roots in the practice of unity at the top leading us to consider the people's movement as an instrument of support (or pressure) vis-a-vis the government and not as an active, autonomous element of intervention enabling us to advance specific proposals on specific situations.

[Question] Then that is why the report was led to criticize 25 years of unified party practices?

[Answer] The analysis of the situation of these past three years sheds light on the considerable strategic lag whose consequences we began to reflect upon at our 23d and 24th congresses. By participating in the government, the Communist Party placed itself, as we emphasized at the 24th Congress, within the framework of the choices of the French, with all the possibilities and without losing sight of its limits, in order to implement solutions going in the direction of measures needed to bring the country out of the crisis. For that reason, starting in 1982, we were no longer content to give negative evaluations and criticisms of the measures the government was led to take. We drafted a whole series of innovative proposals, particularly in the field of economic recovery and for a growth policy. People should remember that we deemed that recovery through consumption, if it was necessary, was not adequate due to the state of industrial potential, that recovery through investment favoring exports preached by the government would lead the country further into debt, that the only recovery bringing us out of the crisis was through jobs. All of our proposals were articulated around that prospect: using all the country's financial assets to create productive, useful jobs that would produce wealth, the only wealth capable of engendering a policy of growth and social justice.

That dimension was present in our which tended to prove that the crisis was not fatal, provided we took measures attacking the causes. But despite that fact, the idea making progress in people's minds was that of the fatality of the crisis. Why? If, throughout the years preceding 1981, we proceeded with our analyses of the national causes of the crisis, while considering all the international dimensions, while we advanced our solutions to emerge from it, the Socialist Party, which did not share our analyses of the crisis, was in a sense

neutralized in that ideological battle by virtue of the fact that it denounced the measures taken by the right in power. When it came into the government -- or rather quickly thereafter -- it implemented austerity measures that were, let us say, of the same nature as those taken by the right previously. Why then did it not advance the idea that, left or right, there was definitely nothing to be done, that the crisis was fatal?

Putting my finger on that, I nevertheless do not stray from my prime concern: the analysis of the current situation and the indispensable place and role of a Communist Party. We must link the critical analysis we make of a practice of union conceived on the basis of agreement at the top, the analysis of the nature of the crisis, of the obstacles we have encountered in implementing the solutions leading to a way out, to our proposal for a new majority rally of the people.

[Question] Then that means giving up any idea of union with the Socialist Party.

[Answer] Absolutely not. We say that this majority rally of the people makes it possible to open up new prospects for moving toward new solutions attacking the causes of the crisis and helping overcome the difficulties that the French people encounter in their daily life. Today, it is the only means if one wants to create the conditions for preventing the right from returning to power.

For us, it is a question of promoting the organization of many rallies with all the men and women who agree to implement constructive proposals providing a response to their concerns, drafting initiatives to arrive at concrete solutions.

Whether the objectives be limited, partial or greater, the essential thing is that they have to do with positions fighting the crisis, and in this approach, the rally can have outlines transcending political splits.

In proposing to follow this practice, this does not mean that we are going to erase the difficulties represented by the weight of old schemes or that of the idea of the fatal nature of the crisis, or even the hesitation and questions about the credibility of such a prospect. But I believe that we open up a broader field of possibilities for intervention of the workers and the people against the crisis, as shown by the actions of the Creusot-Loire workers with the people to defend employment and industrial potential, or the positions taken by the entire mining and people's corporation to oppose the elimination of 30,000 jobs and the liquidation of national coal production.

As one can see, it is not a matter of a reference to a union below in a standoff with the Socialist Party, but of creating the conditions so that the workers and the people may occupy the place they intend to take (in response to their aspirations) as protagonists in the transformations required by the crisis.

Thus, without giving up the policy of union, the new rally situates the political accords able to act on a given objective such as the expression of the people's movement, which implies that they in no way get ahead of that movement.

[Question] Among the questions debated by the Central Committee is that of the party itself, its role, its identity, its principles of organization, its loss of influence.

[Answer] The Central Committee made it clear that the drop in influence which the Communist Party has suffered in the course of this recent period has stemmed from the difficulties we experienced in applying our strategy, with the illusions and obstacles represented by political accords at the time, within the institutions of the Fifth Republic that bipolarized political life. The conclusion was that it would be erroneous to search in the operation of the party for the underlying causes of our decline in influence. However, the Political Bureau's report stated that in this particularly complex situation, the action of communists, from the cell to the Central Committee, was not without hesitation or adequate. Our reflection on improvements to be made in our democratic activity was linked to a continuing concern of the Political Bureau and the Central Committee to indicate our identity clearly, that of a revolutionary party today. Moreover, that is the reason why, in reaffirming the principle of democratic centralism, the Central Committee evaluated the proposals made by the Political Bureau to improve the democratic activity of the party. It is in that that we reject immobility, just as we reject the cult of unanimism, the source of narrow-mindedness, which could only give a false image of party unity.

Actually, democratic centralism makes it possible, if there is not an agreement on the part of everyone, not to paralyze action and to ensure the implementation of the majority decision, while enabling everyone to preserve his opinion continue to defend it within the party. The report proposes improving that practice even further, accepting the fact that comrades who doubt the validity of a decision cannot exhibit the same energy in applying it and the same persuasion in explaining it. Moreover, it has been proposed that we seek out forms of bringing communists together in the big enterprises, the regions and professional sectors, not only at informational meetings, but meetings for reflection and making proposals.

[Question] How will plans for the congress go?

[Answer] After this Central Committee meeting, we can say that the report adopted, both in structure and content, now makes it possible to have preliminary discussions for the congress on essential questions, around which the proposed document must revolve. Consequently, when the Central Committee meets again, in a month or so, to discuss the proposed preparatory document for the congress, it will have elements from discussions in the cells, on this report and on its political choices. And that draft document, which we hope will be readable, clear, precise and fundamental, will serve as a basis for discussion, reflection and the drafting of our party's policy. It will therefore be up to each communist to study it, enrich it and amend it, if he deems it useful, and to rule on its depth with full knowledge of the facts. We shall therefore have a congress prepared by a broad democratic debate in all party organizations, this since...now one can say...the month of July. This is of cardinal importance for a very good reason: All communists must have in their hands all the elements of this debate, for it is indispensable that all participate.

[Question] This Central Committee meeting will therefore have been one phase in the discussion leading to the congress.

[Answer] I do not think it is a matter of a phase, but of the role of the Central Committee, which must assume responsibility for providing its analysis and evaluation of the situation and the political choices that are at the heart of plans for the congress.

Preparation for Congress

Paris REVOLUTION in French 28 Sep-4 Oct 84 pp 11-12

[Article by Emile Breton]

[Text] L'HUMANITE's publication, on Saturday, 22 September, of five pages containing the 81 speeches before the Central Committee meeting on 17, 18 and 19 September, is an event whose scope has perhaps not yet been measured with respect to the evolving practice called "democratic centralism" and which the introductory report hopes will be "removed from all immobility." We have probably not yet measured all the effects on the discussion that might take place in all PCF organizations in preparation for the 25th Congress. These five pages indeed merit an attentive reading rather than the superficial "They-are-all-alike;-why-go-further?" attitude, so as to know who opposed whom and on what grounds. One thing is immediately obvious and rich in promise for the expansion and deepening of the debate thus launched: Communists at a high level of responsibility can agree on an analysis and objectives (those proposed by the Political Bureau report passed by the Central Committee unanimously, minus one vote) and provide differing, even divergent, evaluations, not so much on the analysis as on the means to use to achieve the objectives proposed.

Despite the determination, which may at times emerge, to make rapid decisions, to unhesitatingly take a position, many speeches bear proof of searching thought. That is what is new in this situation: Never before in plans for any congress has the time of reflection on the document intended as a basis for discussion been revealed. A document was drafted by leadership organizations, then submitted for discussion. Here, it is that phase, the phase of the "pre-document," that is revealed, which should help make more "transparent" the future of the discussion in order to move toward greater control by all militants of the strategy and the policy of their party.

This is obvious, even with the type of account -- each speaker personally supplied L'HUMANITE with a summary of his own speech -- chosen to report on this session of the Central Committee. Unless one could imagine -- Shades of MacLuhan -- a video tape, uncut (three days and night sessions) to be shown to all organizations of the PCF and assume responsibility for the effects of this practice on the professional and social life of each individual, one has to opt for a type of account that is a summary for publication. The one chosen has its advantages: The speaker cannot accuse a journalist or anyone else of betraying him! It also has its disadvantages: At a certain level of responsibility and self image one must give one's mandates, one can only impose self-discipline (not to say self-censorship) which rounds off the sharp corners of

speeches delivered in the heat of legitimate passion. The report will consequently be, as we know, more carefully "policed" than was the discussion and that is where the active reader of such a text will make the necessary corrections.

The fact remains that even so, this report reflects the liveliness of the debate on most of the major questions raised by the Political Bureau report: on the political situation in the country, the union and its practice in recent years, progress on reflection on the state connected with a new conception of citizenship, the limitations and potential of the crisis, the role and place of a revolutionary party in a developed capitalist society, the operation of such a party. It is a vast field, one rendered banal by the introductory report on the debate, but one in which there can be no question for anyone of delving without first doing his work. That is what emerges from a reading of these speeches.

Obviously, this is but one reading of the five pages of L'HUMANITE. Other readings are certainly possible, but one thing is definite: Reading them is indispensable in preparing for the coming congress.

We repeat: an attentive reading.

11,464
CSO: 3519/52

SECURITY OFFICIAL DENIES SERIOUSNESS OF DATA CENTER SPYING

Stockholm DAGENS NYHETER in Swedish 8 Oct 84 p 7

[Article by Per-Anders Rehn]

[Text] The suspected spy, a German-speaking man who worked 1 week at the military data center in Arboga, obtained no secret information.

"He was under surveillance the entire time," Lennart Nygren, chief security officer of the data center, stressed.

His statement was confirmed by the head of the data center, Sture Edvinsson.

"All the investigations we have made indicate that the man obtained no secret information," he said.

Disappeared

The episode took place in 1979. A German-speaking person employed by an American computer firm was to install new equipment at the secret data center in Arboga. The security service of the Defense Staff and SAPO (Security Police) checked his West German identification papers, presumably with the assistance of the Foreign Ministry. Everything seemed to be in order and the man was allowed to work at the data facility.

He worked there for 4 days. The following Friday, he disappeared without a trace from his job and his Swedish family. No one at the data center realized he had disappeared. The disappearance was reported by the man's employer.

Already Dead

It was reported that the man used identification papers taken from a West German citizen who had already been dead for several years. When asked by DAGENS NYHETER, SAPO refused to comment on the man's identity. The security service of the Defense Staff also refused to confirm this report.

"This is the first I have heard about false identification papers," the head of the data center, Sture Edvinsson said.

In any event, the Defense Staff was sufficiently concerned over the man's disappearance that it began an investigation into the events in Arboga. The man received no secret information, according to the top officials at the data center.

Watched

"He was watched by our computer operators and the person responsible for him," Lennart Nygren said.

"We had no secret material in our computers when he was there. That is standard procedure in such situations," said Sture Edvinsson, who added that the man was there only during office hours.

The man had little to gain by studying the computer equipment of the military. He was an expert and could have gained this information elsewhere, according to Sture Edvinsson. He does not rule out the possibility that the man could have obtained some type of valuable information, however.

"Of course, our study cannot cover all aspects of the man's job," he said.

National Police commissioner Holger Romander admitted that he had been informed of the matter, but refused to comment on it.

"This occurred during my first years as commissioner of the National Police. I do not remember the details," he said.

Ironical

He also said that the case was not closed. A crime was committed and it has not yet been solved. There is no active search underway for the possible computer spy, however.

Ironically, information on the episode at the data center leaked out last week when personnel from SAPO and the military were attending a workshop on security questions. At that time, the actions of the German-speaking computer expert were used as an example of what can happen.

9336

CSO: 3650/23

AIR FORCE COMMANDER SVEN-OLOF OLSSON PROFILED

Stockholm DAGENS NYHETER in Swedish 10 Oct 84 p 56

[Article by Lars Ake Berling]

[Text] There is a storm around the air force chief, but the dynamic warrior, Sven-Olof Olsson, believes that the inherent strength of his branch of the service will help it ride out the storm. Here we present a portrait of him at home in civilian clothing.

His exploits were described in print as early as 1940, when he was just 15 years old. OSKARSHAMNS TIDNING wrote about Sven-Olof, the son of Olsson the furniture dealer, who had preached on the virtues of science.

Now he is preaching the importance of the air force in our defense system. He is now preaching as a three-star lieutenant general, a flyer who has been the chief of our air force for 2 eventful years.

The scrapbooks fill his bookshelves at home in Appelviken. Sven-Olle, as Gen Sven-Olof Olsson is called by his colleagues (he is also called Stril-Olle, in reference to the electronic combat information center that was developed under his leadership), has had a record-breaking career after discovering the importance of the air force during the war and joining that branch of the service. There has been much said about him during this career. At the controls of an airplane, he is just as tough as he is friendly at home on the sofa in his living room.

He made headlines back in 1951 as a lieutenant with the night fighter wing at the F 1 air base in Vasteras. He was flying a Havilland Mosquito when its engine began to experience serious difficulties. It appeared that there was nothing to do but leave the plane by parachute.

Lieutenant Olsson ordered the crew to jump, but remained in the plane himself, since the Mosquito planes had experienced some unexplained difficulties for some time. Sven-Olle decided to find out what the problem was. He remained in the plane and managed to land it more or less in one piece.

For this, he was given a distinguished service medal. The skillful young pilot

from Smaland had become a second lieutenant in 1948, after attending the Air Force Training School in Ljungbyhed, where he graduated first in his class.

He was so happy with the Vasteras wing that he bought a summer cottage in Bergslagen 30 years ago. He still putters around there, he said as he sat at home on his sofa and spoke with us.

He flew the skies of Vasteras until 1957, when he became a captain and joined the Air Force Staff. Since that time, he has risen through the ranks so fast that some have said that Sven-Olle's uniforms are most often found at the tailor's, since his insignias were constantly being changed.

He also held many different jobs, which changed along with his insignias. Among other jobs, he was chief of the Defense Staff's planning division and an expert member of the 1965 Committee on National Defense.

In 1965 he became the head of his old training school, which had been moved to the F 20 air base in Uppsala. At that time, he was barely 40 years old, the country's youngest colonel, and was described in one newspaper article as a "flying hero and theoretician."

He can talk about defense theory and he can talk a lot. He can also talk in support of his product and that may be necessary, now that the commander in chief has proposed that 100 million kronor be taken from the air force and other sources during the next 5 years to be used, instead, to strengthen our submarine defenses. Sven-Olle has objected to this proposal. Previously, he has argued successfully and convinced the politicians that a dynamic air force is needed and told them how much money was needed to keep all the expensive flying machines in top operating condition. During the next 10 years, an additional 7 billion kronor will be needed to provide the air force with the equipment described in the parliamentary defense resolution of 1983.

He made these statements recently in a proposed timetable and the ink was hardly dry before some money started to roll in.

Olle appears satisfied as he sits and talks. The back of the sofa looks like a pair of wings extending from his shoulders. Wings and the air are never far away from him. The telephone, which rang constantly that evening at his home, was a reminder of how busy his job keeps him.

He sat and took great pleasure in the latest news of his pet project, the much-discussed JAS airplane.

"The test results show that the engine is even better than we dared hope. And it is not costing any more than planned. The plane has also proven to be extremely pilot-friendly. It will simply be a wonderful environment."

He spoke as warmly about his airplane as he spoke 44 years ago on behalf of science in Oskarshamn.

He wonders, however, if he will be able to take the controls of his precious

JAS. It will not be put into use until the nineties.

He still flies and travels extensively, despite all the desk work and all the juggling of millions of kronor. He flies around to the various divisions and he recently flew a 1932 Tiger Moth at Alleberg. He has forgotten neither the Immelmann turn nor the spin that is called the "falling leaf."

According to a persistent rumor, in his youth Sven-Olle flew under the Vasterbro Bridge, but he denied it again in a friendly but firm manner.

Like many others, he became known to the entire Swedish people by way of TV. At that time, a Soviet submarine had run aground near Karlskrona. Olsson was a lieutenant general and chief of the southern military region at that time. He was an active participant in the debate surrounding this event.

This position may be seen as one of the natural springboards to a future position as commander in chief. Sven-Olof Olsson is one of the primary candidates to the position of supreme commander.

This candidate, who is described as peaceful by nature (although he demands a strong defense until disarmament decisions have been made), recently became a grandfather. His daughter Ylva, who works in a laboratory and on her own farm in Skania, had a baby boy. His youngest daughter Asa attends a technical high school and Tom is a major in his father's branch of the service.

This branch now has 19 divisions. With the help of the politicians, Sven-Olle saved three Draken divisions--three divisions he had been forced previously, in a difficult situation, to threaten to abolish.

Now that difficult situation has passed and he is filled with confidence, despite the commander in chief's plans to make additional cuts. He understands the situation fully. He looks forward calmly to new, grand adventures in the sky and behind the desk. It appears that the wings on his sofa will lift him up in his enthusiasm.

9336

CSO: 3650/23

POLL, PRIME MINISTER SUPPORT SHORTER WORK WEEK WITH PAY CUT

Workers Favor Hours Reduction

Copenhagen BERLINGSKE TIDENDE in Danish 30 Sep 84 p 13

[Text] Apparently, the Danish people have completely changed their priorities with respect to pay and work hours in the last 20 to 25 years.

While the population chose higher pay over a shorter work week in the early sixties, the situation is now the direct opposite.

This is according to a Gallup Institute poll taken last September, which was a follow-up to two earlier polls taken in 1961 and 1973 respectively.

A representative sampling of the adult population, approximately 1,000 persons, were asked the following question in these three polls:

"If you were asked to choose between a pay increase of a given amount or a correspondingly shorter work week, which would you choose?"

Below is the result of the last poll compared to that of the two previous polls:

	1961	1973	1984
	%	%	%
Pay increase	45	43	31
Shorter work week	24	39	50
Don't know	31	18	19
Total	100	100	100

Since there was a marked change in the "don't know" percentage from 1961 to 1973, for comparative purposes we have distributed the "don't know" answers proportionately between the two other responses, which gives us the following:

	1961	1973	1984
	%	%	%
Pay increase	65	52	38
Shorter work week	35	48	62
Total	100	100	100

As you can see, there has been a steady move away from the clear choice of a pay increase to the obvious preference for a shorter work week. In 1961, two thirds of those polled (65 percent) chose a pay increase, while in 1984 almost two thirds (62 percent) favored a shorter work week.

The reason or reasons for this drastic change of preference may be and probably are several. But since there has been no change in the work week during this period, we might do well to consider the increase in real income, which actually makes a shorter work week more attractive. And it is also possible that the high tax differential could greatly affect the benefits of a considerably higher real income.

Furthermore, the latest poll shows that only one occupational group preferred income to a shorter work week, and this was the self-employed, including self-employed farmers.

The poll also shows that a much higher percentage of skilled workers favored a shorter work week than did lower-income unskilled workers.

Can only be reprinted giving BERLINGSKE TIDENDE and the Gallup Institute as sources.

Schluter Sees Employment Gain

Copenhagen INFORMATION in Danish 1 Oct 84 p 1

[Article by Karen Jespersen]

[Text] Prime Minister Poul Schluter favors a smaller reduction of the work week in connection with the upcoming labor negotiations, providing there is no talk of compensation. And this, mind you, also applies to the public sector. This is according to what the prime minister told INFORMATION.

"If we ever get to discuss a somewhat shorter work week without compensation in the private and public sectors, I definitely feel it would be an interesting discussion," said Schluter.

Unrealistic Demands

Following the government's three-part negotiations with labor market representatives last Wednesday, the Danish Federation of Labor (LO) and public employees were disposed toward breaking off further

negotiations with the government. They understood from the prime minister's offer that he would reject any reduction of the work week, and that not another single person would be employed in the public sector under no circumstances.

"This is not the idea, but the demand for a 5-hour reduction of the work week with full pay--which SID and others within the LO have suggested--is completely unrealistic and would adversely affect employment as well as real income and would ruin public budgets," said the prime minister.

"But if things mature and the negotiators become more realistic so that we might discuss a modest reduction of the work week without compensation, I would not at all be averse to hiring more workers in a number of areas--and here I am particularly thinking about the public sector."

Minimum-Wage Workers

"For example, if we reduce the work week by 1 or 2 hours over 1 or 2 years without compensation, this would lead to savings in public budgets, which might allow for higher employment.

"But wage earners must also be willing to accept a reduction in real income. We cannot afford to boost their purchasing power "in exchange for" a shorter work week, which LO is talking about," said Schluter. However, he agreed that minimum-wage workers constitute a special problem.

"I also feel we should discuss the tax burden, but this would come at the end of our negotiations when we can better evaluate their effect on the trade balance," Poul Schluter concluded.

8952

CSO: 3613/9

BUDGET PROPOSAL SHOWS EXPENDITURES STILL UNCONTROLLED

Copenhagen BERLINGSKE TIDENDE in Danish 15 Oct 84 p 9

[Commentary by 'Monitor']

[Text] The government does not have the control over state expenditures that it claims to have. When we ignore the increased revenue in the state's spending budget, the use of personnel and other resources will also increase in 1985.

State spending in 1985 is budgeted at 185 million kroner. That is the same as in 1984. The government takes this as evidence that it has succeeded in bringing state spending under control.

At the same time it could be proud of the fact that the budget bill was brought up in parliament earlier than ever before. The split in the Progressive Party has played its part. Cementing the cooperation with the Radical Liberals on economic policy further insured the government against a repetition of the drama of the past 2 years surrounding passage of the budget bill.

Aside from the parliamentary triumph the government, which is still a minority government, achieved by securing the budget as early as October, it is doubtful that there is anything to cheer about. When the final result is evaluated it is difficult to find evidence that the government has brought state spending under control in the budget that will be approved in a few months.

It is true that the government claims that through a hardhanded shifting of priorities it has found the money to implement needed new activities in 1985. There has been a shift of 5 billion kroner in all which some ministries had to give up so that others could expand without exceeding the overall spending limit. According to the Finance Ministry's figures ministries like the Agricultural Ministry, the Ministry of Public Works and the Justice Ministry had to bear the brunt of this restructuring of priorities.

In the official calculations, however, they are operating with net state expenditures. This means that the income that appears in the spending budget is deducted. This means, for example, that the revenues received by the Postal

Service and Danish State Railways are used to offset spending; it also means that recording fees and other legal fees are used to offset Justice Ministry expenditures.

When the government says that it has kept 1985 spending at 1984 levels by means of a firm shifting of priorities, a supplementary explanation is needed. The only thing the government has done is to make sure that spending has not risen more than the increase in revenues included in the spending budget. That is not necessarily the same thing as the government being in control of the state's use of resources. To get an overall view of that we must look at how gross spending developed from the 1984 to the 1985 budget.

If we do that the picture is not so rosy. For example look at the Ministry of Public Works, which really had to bear the brunt of the change in priorities. What is presented in the official calculations as a net reduction of 7-8 percent in spending is actually an increase of 2 percent in the use of resources when price and wage increases are taken into account. Or take the Justice Ministry, which lost around 6 percent in net spending to the general fund; that ministry's use of resources has not been cut for 1985 in relation to its 1984 level.

An analysis of personnel consumption confirms that the government has not gained control over the state's use of resources in the budget bill. The 1984 budget bill estimated a personnel force of 202,000 full-time employees working for state agencies and institutions. Now employment for the current year is estimated at 203,000 full-time workers. A year ago, when 1985 was still a long way off, the Finance Ministry estimated that total employment in 1985 could be cut to 200,000. This planned reduction has been replaced in the budget bill with an estimated growth to more than 204,000 employees.

In other words, it's the same old story. The only way the government can claim otherwise is to resort to dexterity in its presentation of the figures in the budget proposal to Folketing and the general public.

This is not the first time a government has yielded to the temptation of glossing over the harsh realities of the budget. From a very short-term perspective it is easy to understand the political thinking that lies behind a presentation form like the one chosen now. Why should the government admit openly that it does not have control over an important aspect of the developments it is supposed to control and that it also claims to want to control?

The answer is simple. The government cannot control public spending because it is up against stronger forces than Folketing and the political parties. This has also been true of other governments. It is just a bigger problem for a nonsocialist government going into its third year than it was for its Social Democratic predecessors. The first prerequisite if the present government and the parties backing its economic policies want to get some control over spending is for it to stand up in public and admit that it is not in control. The next step would be for the government to hold a discussion of the factors that have blocked effective control of spending in the past.

6578

CSO: 3613/15

BRIEFS

RAIL LINE TO USSR--The "Juha" railway line, which has been under construction for four years, was inaugurated in Kymenlaakso today. The "Juha" line is 14 km long and runs from the Juurikorpi junction on the Kotka-Kouvola line to Hamina. The construction of the line itself has cost about 100,000,000 markkas, while the relevant bridge, tunnel, and station constructions have cost 30,000,000 markkas. At the beginning of February this year the line was already inaugurated for diesel trains. The electrification of the line has now been completed. The "Juha" line serves the transit traffic between Finland and the Soviet Union as well as the transport of forest industry products to the export harbour of Hamina. [Text] [Helsinki Domestic Service in Finnish 1300 GMT 8 Oct 84 LD]

CSO: 3617/17

GOVERNMENT BLAMES WORKERS FOR SOME LISNAVE DIFFICULTIES

Lisbon DIARIO DE NOTICIAS in Portuguese 28 Sep 84 p 1

[Text] The Council of Ministers decided at yesterday's meeting to declare Lisnave to be in a difficult economic situation. This decision, proposed by the management of the company, includes among other things "the reduction of the number of workers" and a modification or even the termination "of some of their labor perquisites."

After underscoring the fact that the public sector capital in the company is only 24 percent, the government communique states the "Lisnave management proposal includes measures deemed appropriate for the economic viability of the company, in a first phase, and for the study of its financial viability subsequently.

"On the other hand, the constructive support of the leaders of capital and labor is considered essential for the viability of the company, without which," according to the government, "the measures proposed and approved will not prevent the bankruptcy of the company in a short term," and adds:

"The unreasonableness of some demands and the recourse by some workers to acts of violence, including the abduction of administrators, undoubtedly contributed to the situation of the company."

The government also points out that the company owes about 20 million contos and "in real terms, it saw its receipts cut in half from 1981 to 1982, and cut to a quarter between 1982 and 1983."

In the meantime, while the management of the company naturally expressed itself in favor of the government decision, revealing that between 1,700 and 2,000 employees are to be dismissed, the respective workers' committee regarded the decision as "highly grievous" for its constituents, stressing that Lisnave "does not have surplus personnel."

8711

CSO: 3542/10

POLITICAL MANIPULATION OF ECONOMY VIEWED

Lisbon DIARIO DE NOTICIAS in Portuguese 1 Oct 84 p 6

[Editorial article: "The Budget and Elections"]

[Text] The austerity measures conceived for the "current emergency management" period of 18 months, which incidentally is ready to expire, had the stated purpose of reducing the state budget deficit. The budget law for 1984, which constitutes the expression of that program at the level of public finances, thus reflected the effort which the government proposed to expend to contain the state's rate of indebtedness, both domestic and foreign. The deficit, in the order of 8.2 percent relative to the Gross Domestic Product (GDP), meant in real terms the near-stagnation of budgetary expenditure, public investments being sacrificed for this. In this fashion, it was anticipated that the deficit might be only 172 million contos. Because of a "crack" somewhere, it may have risen to 200 million which, though bad, is not very bad.

For 1985, the government seems to want to be less miserly. According to the SEMANARIO, it is anticipated that the state budget may reach 310 million contos (an increase of no less than 50 percent compared to the negative balance of 1984). Have the conditions of the Portuguese economy and finances improved substantially? Everyone knows that they have not. It is true that some objectives set by the government and by the IMF were achieved, specifically as regards reduction of the deficits in the foreign accounts. But on the other hand, there has been an aggravation in other aspects: inflation has reached 30 percent, the CDP will have had a negative growth of 1 percent, the unemployment rate exceeds 10 percent.

The government now shows an intention to "loosen the belt." Some timely measures, undoubtedly fair and necessary but a little surprising nonetheless, move in that direction: reduction of the taxes on labor, increase of retirement pensions, reduction of the prices of social passes, among others that will probably be announced at the appropriate time. The appropriations allocated to the various departments of the administration will be enlarged if there is no change in drafting the bill in question and the minister can act with more generosity.

That paper says that it is the secretary of state for the budget who reportedly "is not much for" the adjustment, that is, for those figures. Alipio Dias perhaps fears the reaction of parliament when the bill is submitted to it and the displeasure of the IMF, which may even prescribe a third (and tougher) letter of intent. Even not knowing the content of the budget bill, a deficit of such magnitude--in contradiction with the restrictive policy followed until now--understandably raises the idea that an economic policy of an electoral nature is being prepared. That deficit in fact is in contrast to a policy of "prudent relaunching" of the economy, the beginning of which Hernani Lopes promised for the beginning of the second half of this year.

Obviously we are not calling into question any measures aimed at easing the burdensome living conditions of the Portuguese. They are necessary and urgent. It is only that if such a budget is presented and approved, it reminds us of what happened in 1980 and which this government, moreover, never tires of recalling. At that time we experienced a period of abundance and euphoria and there was even talk of an "economic miracle." We are paying the bill today. Is it possible that in 1986 or 1987, we will have to pay a similar bill for the election of the president of the republic?

8711

CS0: 3542/10

BALANCE OF TRADE DEFICIT DETAILED

Lisbon O JORNAL in Portuguese 28 Sep 84 p 9-E

[Article by Nicolau Santos]

[Text] According to provisional figures revealed by the National Institute of Statistics, the negative balance of Portugal's foreign trade declined 4.5 percent from January to July of this year, reaching 231.4 million contos as a result of exports in the value of 416.1 million contos and imports totaling 647.6 million contos.

During the same period, the rate of coverage of imports by exports reached 64.2 percent compared to 53.1 percent and 41.8 percent for the same periods in 1983 and 1982, respectively.

It should be noted that in the first 7 months of the year, the rate of growth of exports was slightly lower than that for the same period the previous year (51 percent compared to 52.4 percent). The increase of imports, however, was substantial (24.9 percent compared to 19.9 percent).

Despite that, reduction of the deficit is proceeding at a lower rate: 4.5 percent compared to 3.5 percent.

The biggest purchaser of Portuguese products continues to be the United Kingdom (64 million contos and 15.4 percent of the total); followed by the Federal Republic of Germany (59 million contos and 14.2 percent), France (51 million contos and 12.3 percent) and the United States (34 million contos and 8.1 percent).

The list of Portugal's main suppliers is headed by the United States (99 million contos and 15.3 percent of the total); followed by the Federal Republic of Germany (64 million contos and 10 percent), France (47 million contos and 7.3 percent) and the United Kingdom (45 million contos and 7 percent).

Greater Imbalance With the United States

The greatest imbalances in the Portuguese balance of trade are with the United States (65 million contos, representing 28.1 percent of the total),

Saudi Arabia (36.5 million contos and 15.5 percent), Iraq (21.4 million contos and 9 percent) and Spain (21.1 million contos and 9 percent).

It should be noted that, compared to the first 7 months of 1983, the Portuguese-Spanish trade balance deficit increased 40 percent (from 15.6 million contos to 21.1 million).

Our country continues to show positive balances with the European Economic Community (8.4 million contos, due essentially to the relations with the United Kingdom and France, favorable to Portugal in the amounts of 18.6 million and 4.2 million contos, respectively), with EFTA (14.7 million contos, of which the principal factor is the positive balance of 8.7 million contos with Sweden) and countries of the old escudo area (16.1 million contos, of which 10.9 million contos with Angola).

The deficit with the OPEC countries now amounts to 114.8 million contos, which represents an increase of 44.3 percent compared with the 79.9 million contos for the period January to July 1983.

The principal Portuguese imports continue to be centered on mineral products (197.1 million contos, of which 192.3 million contos were for fuels and mineral oils, which represents an increase of 40.1 percent), agricultural products (84.2 million contos, of which 43.5 million contos are grains, representing an increase of 67.3 percent), machinery, equipment and electrical material (80.2 million contos compared to 8.4 million contos in 1983), products of the chemical and related industries (58 million contos) and textile materials and respective products (51.4 million contos, that is, an increase of 50 percent).

Textiles: Remarkable Drive

Textile products continue to be the main Portuguese export, maintaining a remarkable drive (a growth of 53.2 percent, amounting to 118.1 million contos compared to 77.2 million previously). They are followed by machinery, equipment and electrical material (51.6 million contos, representing an increase of 75.8 percent) wood and its products (31.1 million contos), products of the food and beverage industries (29.2 million contos), raw materials for making paper, paper and its products (28.7 million contos) and products of the chemical and related industries (28.5 million contos).

Worthy of note is a spectacular increase of footwear exports (more than 81.1 percent, exceeding 20.6 million contos compared to 11.4 million in 1983) and the decline in the sales of mineral products abroad (from 22 million contos in the first 7 months of 1983 to 20.9 million for the same period this year).

8711

CSO: 3542/10

BANK OF PORTUGAL REPORT CITES SLUGGISH 1983 ECONOMY

1983 GDP Down

Lisbon O JORNAL in Portuguese 28 Sep 84 p 16

[Article by Ilidio Barreto]

[Text] The level of Portuguese economic activity dropped appreciably during 1983, especially in the second half of the year, according to the annual report of the Bank of Portugal released this week. Domestic demand dropped generally with the single exception (which is beginning to be a habit) or public consumption (which represents state expenditures). Exports showed a substantial increase, while imports dropped very appreciably. The domestic product decreased (about 0.1 percent), the first time this has occurred since 1975.

Only the sectors the production of which is largely aimed at export, electricity (for climatic reasons) and the public administration increased their added value.

The unemployment rate increased during the year and the volume of employment itself must have declined appreciably. Inflation accelerated sharply in the last part of the year and real wages dropped significantly.

The Stabilization Program

The behavior of domestic demand, the product and employment was conditioned by the stabilization program adopted, beginning in June, and by the continued deceleration of the money supply recorded at the end of 1982.

The increase of taxes and reduction of the deficit of the public sector, the rise of interest rates and the considerable reduction of the expansion of credit led to the decline of private consumption (which corresponds to the expenditures of individuals) and, especially, of investment.

Exports may have benefited from the sharp real devaluation which occurred in 1983 and perhaps from the outline of recovery of the world economy. Imports reacted to the real devaluation, to the domestic recession and to the direct controls on the import of stocks of some products, specifically, oil.

The acceleration of inflation--coincidental with a clear reduction of monetary expansion and aggregate demand--is explained in large measure by the increase of many prices controlled administratively. This increase, moreover, explains the fact that the share of the national income comprised of labor remuneration (the indicator of income distribution) did not drop as much as the reduction of real wages would indicate.

Development of Demand

The development of overall demand in 1983 was quite marked by the turns in economic policy during the year. In fact, the need to reduce the imbalance of foreign accounts and to contain the budget deficit forced a greater restriction of monetary and fiscal policies translated mainly into two devaluations of the escudo, two increases of interest rates, the raising of taxes and substantial cuts in the public sector investment programs.

This situation was reflected in the composition of overall demand in which the foreign component gained weight (21.6 percent in 1983 compared to 18 percent in 1982) due to the strong expansion of foreign demand (16.7 percent in real terms) and a considerable decline in domestic demand (7.3 percent). It should be noted that this is the first drop in domestic demand (which corresponds to the total expenditures of the Portuguese) since 1975.

The principal indicators of investment and of private consumption converge in the direction of indicating the deepening of the recession of economic activity in the second half of the year, and especially during the last quarter.

As a matter of fact, investment was the component of domestic demand most strongly affected by the restrictive economic policy. The Gross Formation of Fixed Capital (FBCF) (which with the variation of stocks of goods on hand represents gross investment) showed a reduction of 7.5 percent in real terms, to which reduction of the investment carried out by the administrative public sector (15 percent) contributed in a well-known manner. The FBCF of the public enterprises, whose investment programs suffered a sharp reduction in the second half of the year, rose about 4 percent. Nevertheless, excluding the purchase of planes by the Portuguese Air Transport (TAP), investment by the state enterprise sector fell approximately 15 percent in volume.

Sector Production

The product generated in the primary sector (agriculture, forestry, hunting and fishing), according to provisional figures, may have shown a drop of about 5 percent compared to an increase close to 6 percent the previous year. This reduction reflects mainly the drop recorded in agricultural production, in part due to the drought which occurred in the first half of the year. Forestry appears to have shown a level of development close to stagnation.

The drop in overall agricultural production affected almost all production in general with the exception of some vegetable products (horticultural products,

oil and fruits). The negative development was much more accentuated in livestock production (minus 8.9 percent) than in vegetable production (minus 2.3 percent).

The rate of growth that occurred in 1983 by the combined extracting and processing industries--about 1 percent--reflects a situation of near-stagnation and reveals the accentuation of the crisis that has been affecting Portuguese industry since the end of 1980. This rate of development estimated for the past year represents a clear deceleration compared to the results obtained in 1981 and 1982, years when modest growths of 2.0 and 2.8 percent, respectively, had already been recorded.

The industrial sectors and subsectors which showed the greatest declines or very low development pertain in general to branches of activity the sales of which are predominantly aimed at the domestic market. The sectors and subsectors with the best performance last year were those in the food, lumber, cork, footwear, paper and publications, and metal products and machine sectors; that is, precisely those that pertain to industries the exports of which achieved results significantly higher than those obtained in 1982.

The drop of the rate of growth of the processing industry is similarly confirmed by the drop of 1 percentage point in the rate of use of the total productive capacity of that industry, which amounted to 76 percent.

Declining Wages

The growth of nominal wages for the overall economy in 1983 was about 19.2 percent, a figure that represents some deceleration in comparison with the previous year (20.9 percent). This fact, together with the rise of the inflation rate led to a considerable drop of real wages (about 5.0 percent), which comes in the wake of a negative development (about 1.2 percent) recorded in 1982.

The sectors which last year presented a relatively more moderate drop in real wages--construction (3.5 percent) and public administration (5.0 percent)--were the ones that had suffered the sharpest drops the previous year, namely, 2.9 and 5.6 percent, respectively.

Tourism and Remittances

The revenues from tourism continued to develop in an unfavorable manner when evaluated in dollars (minus 5.5 percent). However, using European Account Units (ECU) as a rough indicator of the development in "national currencies," the revenues from tourism rose 4.5 percent ([compared to] a reduction of 3.7 percent in 1982). In real terms (that is, deflated by the Consumer Price Index (IPC)), there was also an increase of 5.3 percent compared to the previous year.

The remittances by emigrants amounted to \$2,118 billion, showing a decrease of 18.5 percent compared to 1982. This reduction of remittances is the

more significant when one considers the fact that it intensified during 1983 notwithstanding the timely devaluation (in June) and the rises of interest rates (in March and August). The drop in remittances, expressed in dollars, must also be attributed to the deceleration of nominal wages in the countries of emigration, the increase of unemployment and the more restrictive application of exchange laws by some of those countries.

GROSS DOMESTIC PRODUCE
(sector variations)

	<u>1982-81</u> (percentage variation in volume)	<u>1983-82</u> (percentage variation in volume)
Agriculture and fisheries	5.8	minus 5.0
Industry	2.8	1.0
Electricity, gas, water	15.0	10.0
Construction	2.0	minus 3.0
Services	3.3	minus 0.4
Gross domestic product	3.2	minus 0.1

1984 Forecast Lower

Lisbon O JORNAL in Portuguese 28 Sep 84 p 16

[Text] At this year's prices, the Portuguese Gross Domestic Product will be 60 million contos lower compared to 1983, representing a rate of reduction of 2 percent.

That forecast is part of a report by the Institute of Current Analyses and Planning Studies (IACEP) of the Secretariat of State for Planning which, according to the Portuguese News Agency (ANOP), also estimates a reduction of real wages of about 12.5 percent for the year.

Bank of Portugal Stresses Drop of Economic Indicators

In the meantime, the report of the Bank of Portugal for 1983, distributed this week, reveals that Portuguese gold reserves amounted to 635.5 tons at the end of last year, covering about 15.5 months of imports at market prices.

The central bank analysis, the most important annual analysis of the country's economic situation, confirms that in 1983 the principal economic indicators showed sharp drops with the exception of exports of goods and services. Domestic demand fell 7.1 percent, the gross formation of fixed capital decreased 7.5 percent, and the Gross Domestic Product stagnated. Employment, real wages and available income of individuals suffered drops of 1.8, 4.9 and

4.2 percent, respectively. Prices rose 33.9 percent during the year, the average inflation rate being 25.5 percent.

The Issue of the Loss of Purchasing Power in 1983

In the meantime, the General Federation of Portuguese Workers (CGTP) declared that the loss of purchasing power of the Portuguese in 1983 was 9 percent, contradicting the data supplied by the Bank of Portugal. That union federation emphasized the fact that the criterion used by the Bank of Portugal did not take into account the tax burden on the workers incomes and "gave a necessarily incomplete and illusory view" of the level of purchasing power. The CGTP considers that "one cannot ignore the fact that each worker on the average pays about 30 percent of his net wages on taxes." Real wages in 1983 "showed the greatest drop since '25 April,'" added the CCTP.

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30: 3542/11

UNEMPLOYMENT RISES, MIGRATORY FLOW NOTED

Lisbon 0 JORNAL in Portuguese 28 Sep 84 p 16

[Text] The total of the active population employed did not change substantially between the second and fourth quarters of 1983, according to the results of the Employment Survey for the last three quarters of last year published yesterday, Thursday, by the National Institute of Statistics. On the other hand, the number of unemployed increased by about 10 percent between the second and fourth quarters, this increase being almost completely accounted for by male unemployment.

The unemployment rate in the second half of the year was around 10.5 percent, with female unemployment being higher than male. The number of unemployed who are looking for a new job is higher than those who are looking for their first job.

In the meantime, the last annual report of the Bank of Portugal, referring to the employment indices of the Ministry of Labor for the period January-September 1983, noted that although the large increase in the unsatisfied demand for jobs connected with the agricultural sector may be explained in part by a year of mediocre harvests, it does not fail to lend some plausibility to the existence of a migratory flow--even though on a small scale--from the large cities to "the province." The Bank of Portugal report says that this movement may have its origin in the conjunction of two factors working in the same direction: the reduction of employment in the secondary and tertiary sectors due to the general recession of the economy and the added difficulties of housing and subsistence in the cities.

At the international level, and increase of unemployment in Western Europe, affecting 22 million persons next year, is "the least positive aspect of the international recovery underway," states a report released this week by the Organization for Economic Cooperation and Development (OECD). Last year, the OECD had recommended the creation of 20,000 new jobs per day as the only way to return unemployment to the level of 19 million recorded in 1979 in the member-countries of that organization.

8711

CSO: 3542/11

REPRIVATIZATION OF ENERGY SECTOR TO DRAW FOREIGN CAPITAL

Duesseldorf HANDELSBLATT in German 3 Oct 84 p 31

[Article by Rolf-Roger Hoepfner: "Foreign Investments/New Incentive Through Reprivatization of State Enterprises: In Order to Secure Financing, the Energy Sphere, Too, Is Being Opened Up"]

[Text] With the decree of 28 December 1983, which supplements the foreign investment law No 6224 of 1954, the Turkish government is attempting to kill two birds with one stone. For one thing, competition between the large rigid state enterprises and the private firms is to be invigorated through the clearance of the sale of shares and private capital is to be involved for investment purposes. For another, the breakthrough in investments of foreign enterprises, which have been stagnating for years, is finally to be attained in the form of joint ventures.

In mid-1983 there was a total of 43 large enterprises of the state sector (State Economics Enterprises) [as published], which operate more than 400 factories, as well as an additional 45 joint ventures support the private sector [as published] and employs a total of almost 700,000 persons. Through a change of the legal status of the state enterprises, the government reduced them to a total of 21. The motor of this campaign is the State Planning Organization, which is directed by Yussuf Özal, a brother of the prime minister. The privatization concept, however, is controversial in public. The sale of shares of the state enterprises by the government does not simultaneously the acquisition of private property. For the share owners are merely to be given a share in the earnings of the respective enterprise, and private investors are being allowed the right to operate a stock exchange-like trade in shares.

Misgivings are being registered, in particular on the part of the opposition, to the effect that the scale of the new measures, in connection with the liberalized investment regulation, could lead to a possible excess of foreign influence in key spheres of the economy. Allegedly President Eyubhanizade expressed reservations in this connection. In order to secure a kind of minimal guarantee for investors, the revenues of the state enterprises in question are to be paid into a fund controlled by a special government commission. This commission then determines the dividends to be paid, taking into account the overall economic factors.

Invest Position of the Federal Republic

The examination acts at the same time as price fixing and control agency for goods and services of the state enterprises. In spite of the planned restructuring, the government continues to invest large sums in the expansion of industry. Of course, whether the incentives for the private economy will be so adequate that its expected rate of investment during the course of the Five-Year-Plan 1985-1990 with close to 7 percent can indeed be realized, remains to be seen.

The first measurable successes, on the other hand, are becoming evident in the development of foreign investments. During the first 6 months of 1984, the foreign investment agency registered 51 joint ventures in the service sector and 49 in the production sector. In so doing, the Germans, with 19 individual permits, stood at the top and in fact almost exclusively in the manufacturing sector.

Remarkable is the engagement of the Arab oil states in the service sphere. Outstanding in this respect is the participation of the Saudi Arabian Al-Baraka Investment and Development Company with 80 percent in the capital stock of the Al-Baraka Turkish Finance House, which as fully-licensed financial institution can undertake all banking transactions.

In the tourism sector the Emirate of Kuwait allegedly invested heavily through the Kuwait International Investment Corporation. During the first 6 months of 1984, Arab capital investments in Turkey came to a total of approximately U.S.-100 million, with a total volume of foreign investments of U.S.-\$350 million during this period.

Invest Incentives for Agriculture

Until during this month, a comprehensive revised text of the investment law of 1974 was submitted to the parliament. This law takes the place of the 1964 law, which was constantly changed by the indicated decrees. A noteworthy feature of the draft is the fact that Arab investors are placed on the same level as Turkish investors. Thus an unrestricted right of ownership in Turkish firms is made possible for them.

The tempo of the Arabs clearly goes in the direction of agricultural and tourism projects. Investment applications of private businessmen from the United Arab Emirates and their Turkish partners for the establishment of small and medium export-oriented enterprises with an average capitalization of 200,000 U.S. dollars are in the meantime commonplace.

To ensure the financial requirements for large projects, planning bodies had now still a step further in the promotion program for foreign investments. For foreign enterprises are to be able to invest also in the energy and transport sectors within the framework of joint ventures. According to Turkish conceptions, "foreign contract partners could also permit national power plants for a fixed period of time, between 10 and 17 years, with a lease price being sufficient also to amortize their capital. Thereafter the ownership of the plant would pass over into the possession of the subject government."

Özal's statements come precisely at a time when German undertakings in connection with power plant calls for bids in Turkey have pre-qualified themselves. Thus negotiations with the Kraftwerk-Union [power plant union] KWU in Frankfurt, the Canadian Atomic Energy of Canada concerning the construction of the first Turkish nuclear power plant in Akkuyu are far advanced. According to information by a KWU speaker, the enterprise is expecting the official reaction of the Turkish authorities, together with their draft proposals concerning foreign rights of ownership in power plants. The KWU offer is presently secured through a Hermes-guarantee in the amount of DM 1.4 billion.

Three German groups of all together six international consortia also find themselves in the advance selection in the award of a lignite coal power plant of 2 x 140 megawatts in Saray.

The construction of the "European-Asiatic Autobahn" [expressway], too, according to Turkish conceptions is to be financed in the form of a joint venture, whereby bidders are to form an operating company with Turkish enterprises and are to amortize their investments through assessment of road fees during a period of 10 years. As the deputy minister of trade Ekrem Pakdemirli stated to MMO [Middle East Market], this project is to be awarded not via public invitation to bid, but through direct negotiations of the government with selected contractors during the first 6 months of 1985.

Flexible During Invitations to Bid

In addition to the reform of the state enterprises and the promotion of foreign investments, the entire bid invitation sector is the third element of support from which the Turkish planners are expecting an increased influx of domestic and foreign investors. The basis is the new bid invitation law, which became effective on 1 January 1984, but which to date is not yet comprehensible since not all appropriate executive decrees have been ratified as yet.

In practice, however, it is already being applied by the state organizations issuing invitations to bid. For it allows them to undertake advance qualifications on a selective basis in the case of large projects, without having to automatically take into account the lowest bidders.

One of the pioneers was the Turkish Electricity Board, which, in anticipation of the law, already applied this in the contract award to a U. S. enterprise for the thermal power plant near Senir. The contract award came about without the usual bid competition, in the course of which a submitted financial offer was decisive for the award to the Americans.

The new law would envisage no less than 5 different types of bids (tenders) and allows the bid authorities, depending on finance requirements or scale of the project, all tender variations, from the public unrestricted bid invitation to the direct contract negotiation with selected foreign contractors.

In order to attract foreign investments during the forthcoming Five-Year-Plan 1985-1990, the planning agency is prepared also to include still more far-reaching variants in the promotion palette. Özal justifies the opening of the

nuclear power sector with the argument that the foreign partner would be able to profit from a secure market position if, as planned, the Turkish government gives its agreement to purchase electric power at prices settled by negotiation. "The investment need in the energy sector is so high that budget allocations cannot cover it," Ozal declared in this connection.

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BRIEFS

SOVIET GAS VIA FINLAND--Liquefied gas is to be transported from the Soviet Union via Finland from the port of Hamina to Central Europe. A West Germany company has concluded a 10-year agreement with the Soviet Union to purchase butane and isobutane transporting them to market via Finland. The deliveries will start at the beginning of 1985 with an annual amount of about 300,000 metric tons of gas. The amount will gradually rise to 2 million metric tons. The liquefied gas will be transported by rail to Hamina where it will be loaded on board ship. Talks on rail transport are still underway. However, it is expected that the Finnish State Railways will deal with the rail transport. [Excerpts] [Helsinki Domestic Service in Finnish 0800 GMT 10 Oct 84 LD]

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